



2016-2017 CHDM IDP REVIEW 1st DRAFT

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THE EXECUTIVE SUMMARY

Background to this Document

The CHDM Council has adopted a 5 year IDP which is for 2012-2017, by the 30th May 2012. By law IDP has to be reviewed annually to accommodate changes as the world changes, meaning by 2016-2017 there should be a 5TH IDP Review which is the last IDP Review of 2012-2017 IDP. This last review must not be in contrast with its original 5 year IDP hence this document which is the actual 5th IDP review of the 5 year Plan. It is submitted and prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 of the Local Government: Municipal Systems Act 32 of 2000. Previous Comments from the MEC of Local Government has been taken into consideration and inputted.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect improvements.

Section 25 of the Municipal Systems Act deals with the adoption of the IDP and states that:

"Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which –

- links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which annual budget must be based."

CHDM's Broad Strategic Objectives

In an effort to realise the institutional vision, CHDM has developed 5 Broad Strategic Objective for a period of 5 years and are the ones that were adopted on 2012-2017 IDP and are to continue as such even on the 2016-2017 IDP Review as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

Report outline

The report is structured as follows:

Chapter 1: The Planning Process

This section of the IDP will outlines the planning process with specific reference to the IDP process, and organisational arrangements. This chapter provides the reader with an understanding of the process followed by the Chris Hani District Municipality in compiling the Integrated Development Plan Review for 2016-2017 financial years.

Chapter 2: The Situational Analysis

This section will provide a detailed situational analysis of Chris Hani District Municipality as informed and guided by the latest Census conducted in 2011 October by STATS SA which in turn has been augmented to cater for projections of Demographics. Projections flowing from Census 2011 were done by Global Insight and ECSEC.

Chapter 3: Objectives, Strategies and Projects

This section will provide a concise summary of the municipal Vision, Mission and Values, and a detailed breakdown of objectives, strategies and project programmes flowing from the Broad IDP Objectives as adopted on 2012-2017 IDP and reviewed for 2016-2017 financial with all stakeholders being involved. Inputs discussions and engagements of the strategic session held at Cradock on the 02nd – 04th March 2016 were used as guide to this chapter. All planning frameworks were considered NDP 2010, January 08th statement, SONA AND SOPA up to the SODA.

Chapter 4: Spatial Development Framework Analysis

This section will provide a detailed analysis of the District Spatial Development Framework as has just been reviewed for 2015-2020 financial year and further takes care of the Enacted SPLUMA.

Chapter 5: Sector Plans

This section will provide a list of all CHDM Sector plans and their status together draft and new ones.

Chapter 6: Financial Plan

This section will provide the district municipality's financial strategies, the proposed budget for the 2016-2017 and the following two outer years, as well as the 3 Year Financial Plan.

Chapter 7: Performance Management System

This section wil provide the legal context of the municipality's performance management system, an overview of the monitoring and evaluation process, a background to the CHDM Performance Management Framework as well as the Balanced Scorecard Model adopted by the district municipality and a process of PMS Cascading to below Section 56/7.

CHAPTER 1:

THE PLANNING PROCESS

The IDP Process

Prior to the commencement of this IDP Review, CHDM prepared and adopted a District IDP Framework Plan that served as a guide to the overall process throughout the district, as well as the CHDM IDP/Budget Process Plan. The Council resolutions for the adoption of the District IDP Framework Plan and the IDP/Budget Process Plan as well as for 2016-2017 IDP are attached as Annexures respectively.

District IDP Framework Plan

A District Framework Plan was formulated and adopted by Council on 26th August 2015 to serve as a guide to all of the local municipalities within the CHDM area of jurisdiction, in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities.

CHDM IDP/Budget Process Plan

The IDP/Budget Process Plan was also formulated and adopted by CHDM Council on 26th August 2015. The IDP/Budget Process Plan outlines in detail, the way in which the CHDM embarked on its IDP and Budget processes from its commencement in August 2015 to its completion in June 2016. In brief, the Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. On 26th August 2015, the Chris Hani District Municipality adopted a framework plan for the IDP throughout its area of jurisdiction, followed by a Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the Technical IGR Mangers Forum, District Mayors Forum (DIMAFO), IDP Representative Forum and the IDP Steering Committee. These have executed their mandates in terms of the adopted Process Plan and ensured the achievement of key milestones and deliverables.

During this 2016-2017 1st IDP Review development, particular attention was paid to institutional issues, IDP-budget linkage, the maintainance of CHDMs Vision and Mission as well as Values as endorsed on our Strategic Planning Session and given blessings by our communities as these were presented on various platforms and communities given platform to comment and advise on these.

The delivery of services to the community of Chris Hani pays particular attention on Water and Sanitation. An analysis was conducted in respect of various sector plans attached to the CHDM's IDP and some were found to be still relevant and required minor update, others required a reviewal, whilst new ones were developed.

Strict compliance with Regulation 3(5) has been ensured through an ongoing process of consultation between the CHDM and all local municipalities through the operations of the said structures.

Organizational Arrangements

❑ CHDM IDP Structures:- Structures guided the IDP Process within the CHDM:

- IDP/Budget/PMS Steering Committee
- Development Coordinating Forum
- Budget Steering Committee
- IDP/PMS/Budget Representative Forum
- Technical IGR Managers' Forum
- Chief Whips/Speakers Forum
- District Mayors Forum (DIMAFO)

❑ Roles and Responsibilities

A number of role-players participated in the IDP Process. The role-players together with their respective roles and responsibilities are outlined in the table below.

PERSON/STRUCTURE	ROLES AND RESPONSIBILITIES
Executive Mayor	<ul style="list-style-type: none">▪ Manage the drafting of the IDP;▪ Assign responsibilities in this regard to the Municipal Manager;▪ Submit the draft Framework Plan and Process Plan to the Council for adoption;▪ Submit the draft IDP to the Council for adoption and approval; <p>The responsibility for managing the drafting of the IDP was assigned to the Municipal Manager, assisted by the Senior Manager Development Planning.</p>

Municipal Manager / Senior Manager Development Planning	<p>The Municipal Manager had the following responsibilities, assigned to the Senior Manager Development Planning:</p> <ul style="list-style-type: none"> ▪ Preparation of Framework Plan; ▪ Preparation of the Process Plan; ▪ Day-to-day management and coordination of the IDP process in terms of time, resources and people, and ensuring: <ul style="list-style-type: none"> ➢ The involvement of all relevant role-players, especially officials; ➢ That the timeframes are being adhered to; ➢ That the planning process is horizontally and vertically aligned and complies with national and provincial requirements; ➢ That conditions for participation are provided; ➢ That the outcomes are documented; and ➢ Organising the IDP Steering Committee Meetings ➢ Ensuring that IDP Rep Forum Meetings are held;
District Mayors Forum (DIMAFO)	<p>The DIMAFO is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies.</p> <p>Chairperson: The Executive Mayor of Chris Hani District Municipality</p> <p>Secretariat: The secretariat for this function is provided by the Mayors office</p> <p>Members: Chairpersons of the IDP Representative Forums from the:</p> <ul style="list-style-type: none"> • Eight local Municipalities; • Chairpersons of the IDP Steering Committees, (Municipal Manager, Strategic Manager/IDP Senior Manager CHDM and LM's IDP Managers) all eight Local Municipalities. • All CHDM Directors, Communications Manager • Representatives from sector departments and parastatals. <p>The DIMAFO is responsible for co-ordinating roles regarding district municipality and local municipalities by:</p> <ul style="list-style-type: none"> • Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; • Ensuring vertical alignment between district and local planning; • Facilitation of vertical alignment of IDPs with other spheres of government; and • Preparation of joint strategy workshops with local municipalities, provincial and national role-players. <p>DIMAFO meetings are always preceded by IGR technical committee meetings</p>

Technical IGR Forum	<p>The Technical IGR Forum is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies.</p> <p>Chairperson: The Municipal Manager of Chris Hani District Municipality</p> <p>Secretariat: The secretariat for this function is provided by the Municipal Managers office.</p> <p>Members:</p> <ul style="list-style-type: none"> • Municipal Managers of local Municipalities; • Chairpersons of the IDP Steering Committees, (Municipal/IDP Managers) from the eight Local Municipalities. • District Managerss within Chris Hani Region from sector departments and parastatals. • Directors of CHDM and Communications Unit <p>The Technical IGR is responsible for co-ordinating roles regarding district municipality and local municipalities by:</p> <ul style="list-style-type: none"> • Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; • Ensuring vertical alignment between district and local planning; • Facilitation of vertical alignment of IDPs with other spheres of government; and • Preparation of joint strategy workshops with local municipalities, provincial and national role-players.
IDP/Budget/PM S Steering Committee	<p>The IDP Steering Committee comprised of a technical task team of dedicated officials who supported the Municipal Manager to ensure a smooth planning process. The Municipal Manager was responsible for the process but often delegated functions to the officials that formed part of the Steering Committee.</p> <p>Chairperson: Municipal Manager (or Strategic Manager/Director IPED)</p> <p>Secretariat: The secretariat for this function is provided by the Planning Unit of IPED</p> <p>Members:</p> <ul style="list-style-type: none"> Heads of Departments (HODs) CHDM Management at large Project Managers Internal audit Communications Unit <p>The IDP Steering Committee is responsible for the following:</p> <ul style="list-style-type: none"> ▪ Commission research studies; ▪ Consider and comment on:

	<ul style="list-style-type: none"> ▪ Inputs from subcommittee(s), ▪ Inputs from provincial sector departments and support providers. ▪ Process, summarise and draft outputs; ▪ Make recommendations to the Representative Forum; ▪ Prepare, facilitate and minute meetings ▪ Prepare and submit reports to the IDP Representative Forum
IDP/PMS/Budget Representative Forum	<p>Chairperson: The Executive Mayor or a nominee</p> <p>Secretariat: The secretariat for this function is provided by the Planning Unit and Mayors Office</p> <p>Membership: The Representative Forum comprised of CHDM Councillors and staff and its local municipalities, representatives from sector departments, parastatal bodies, NGOs, business fraternity, traditional leaders, and other interested organized bodies.</p>
Service Providers	<p>Service providers were not utilised for this IDP, instead the IPED Planning Unit provided support for the following:</p> <ul style="list-style-type: none"> ▪ Methodological/technical support on the development of objectives, strategies, projects and programmes. ▪ Budget alignment and other ad hoc support as required; ▪ Coordination of planning workshops as required.

In addition to the structures reflected in the table above, the following structures/consultations were also involved:

1.2 **Schedule of Meetings**

The outline of the public participation process with specific reference to meetings and workshop dates of the various role players are reflected in the table below.

CHDM ACTION PLAN	
PARTICIPATION STRUCTURES & MEETING DATES	
IDP Advert calling Stakeholders	31 July 2015
IDP Steering Committee (pre-planning and review implementation)	18 August 2015
Mayoral Committee Meeting tol look on IDP Process Plan	12 August 2015
Technical IGR Meeting	05 August 2015
IDP Steering Committee	Sept 2015
DIMAFO	19 August 2015
IDP/PMS/Budget Representative Forum [district-wide development priorities]	27 September 2015
District Wide IDP Engagements	27 September 2015
Technical IGR	18 November 2015
IDP Steering Meeting	17 November 2015
DIMAFO	25 November 2015
IDP Rep Forum	26 November 2015
IDP Steering Meeting	18 January 2016
Budget Session with directorates	12 January 2016
Strategic Planning session (mid-year term review and strategic goals)	02-05 February 2016
IDP Representative Forum	17 March 2016
Technical IGR with Sector Depts Managers	17 February 2016
DIMAFO	23 February 2016
IDP Steering Meeting	14 March 2016
Refinement of Obj- Strategies and Budget	18 March 2016
Council approval of the draft IDP & Budget	31 March 2016
IDP/ Budget road shows (public presentation hearings at LMs)	04 -08 April 2016
IDP/Budget Steering Committee to incorporate inputs into the IDP Roadshows	05 May 2016
Mayoral Committee	11 May 2016
Technical IGR/IDP Alignment session	18 May 2016
DIMAFO	01 June 2016

IDP Rep Forum	12 May 2016
Council Meeting (Final Adoption of IDP & Budget)	25 May 2016

Planned Community Involvement for 2016-2017

The outline of the Public Participation Process with specific reference to transparency and community involvement during the 2016- 2017 IDP development process.

Date	Venue - Municipality	Event	Participants
	INTSIKA YETHU		CHDM

DATE	MUNICIPALITY	TIME	VENUE
	ENGCOBO	10:00	COUNCIL CHAMBER, ENGCOBO MUNICIPAL OFFICES
	INKWANCA	10:00	NOMONDE COMMUNITY HALL, MOLTENO
	INTSIKA YETHU	10:00	TOWN HALL, COFIMVABA

	Tsolwana		CHDM,
	Emalahleni		CHDM,
	Inkwanca		CHDM,
	Engcobo		CHDM,
	Inxuba Yethemba		CHDM
	Lukhanji		CHDM
	Intsika Yethu Local Municipality		CHDM
	Sakhisizwe		CHDM
	Local Municipality		CHDM

	EMALAHLENI	10:00	TOWN HALL, LADY FRERE	
	SAKHISIZWE	10:00	TOWN HALL, ELLIOT	
	TSOLWANA	10:00	WARD	
	LUKHANJI	10:00	SKWEYIYA, EZIBELENI & SADA	

1.4 **Relevant Documents**

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- CHDM IDP/Budget Process Plan
- CHDM IDP (2012 - 2017)
- Various sector plans and programmes
- Category B IDP's (2012 - 2017)
- Performance Management Framework (2014)
- Provincial Growth and Development Plan (2004-2014)
- National Development Plan 2030

1.5 **Alignment with National and Provincial Programs**

The following National programs informed the IDP Process:

- State of the Nation Address (SONA)
- Green Paper on National Planning Commission (revised).
- National Development Planning 2030
- State of Local Government in South Africa
 - Municipal Demarcation Board Reports 2015
- COGTA : Local Government Turnaround Strategy (LGTAS)
- COGTA : Operation Clean Audit 2014
- Powers & Functions :
 - Municipal Demarcation Board
 - Local Government MEC
- ANC Manifesto (2009, 2011, 2014-2016)
- ANC January 8th Statement (2013-2016)
- King III Report & Code on Good Governance for South Africa-2009

CHDM has adopted that 2016/17 as year of service delivery and year of the BACK TO BASICS. CHDM acknowledged that though we work ‘Harder’, we don’t work ‘Smarter’. CHDM thus concur with the Back to Basics as pronounced by the President of RSA.

The National Development 2030 mentions that South Africa can eliminate poverty and reduce inequality by 2030 and this will require change, hard work, leadership and unity. Its goal is to improve the life chances of all South Africans, but particularly those young people who presently live in poverty. The plan asks for a major change in how we as government in general we go about our lives. In the past, we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like. On compiling this 2016-2017 IDP Review the NDP 2030 has been taken into consideration and aligned to a great extent.

The following table below depicts how CHDMs 5 key performance areas are aligned with the national and provincial programs:

Key Performance Areas	Manifesto 2014	10 National Priorities	8 Provincial Priorities	12 Outcomes
Good Governance and Public Participation	5. Fight against crime and corruption	Intensifying the fight against crime and corruption Build cohesive, caring and sustainable communities Pursuing African advancement and enhanced international co-operation Building a developmental state including improvement of public services and strengthening democratic institutions	Intensify the fight against crime and corruption Building cohesive and sustainable communities	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all 9. Responsive, accountable, effective and efficient Local Government system 12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship 11. Create a better South Africa, better Africa and a better world
Municipal Financial Viability and Management	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system
Municipal Transformation and Institutional Development	5. Fight against crime and corruption	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education
	2. Education	Pursuing African advancement and enhanced international co-operation Building a developmental state including improvement of public services and strengthening democratic institutions		5. Skilled and capable workforce to support an inclusive growth path
				3. All people in SA are safe and feel safe 9. Responsive, accountable, effective and efficient Local Government system

				12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
Basic Service Delivery and Infrastructure Investment	3. Health	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network
		Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans
		Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life
		Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources
Local Economic Development	1. Creation of decent work and sustainable livelihoods	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth
	4. Rural development, food security and land reform	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	6. An efficient, competitive and responsive economic infrastructure network
			Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
		Building cohesive and		8. Sustainable human settlements

			sustainable communities and improved quality of household life	
			Building a developmental state	10. Protect and enhance our environmental assets and natural resources

CHAPTER 2

This chapter provides a detailed summary of the Chris Hani District Municipality Situational Analysis as guided by the official statistics as released by STATS SA informed by Census 2011 and Global Insight IHS Projections 2014-2015 as well as ECSECC 2014 Socio-Economic Profile.

2.1 ANALYSIS OVERVIEW

2.1.1 Introduction

Chris Hani District Municipality is located within the centre of the Province of the Eastern Cape surrounded by the district municipalities of Amatole, Cacadu, Joe Gqabi and OR Tambo. It is made up of the following eight local municipalities: Emalahleni, Engcobo, Inkwanca, Intsika Yethu, Inxuba Yethemba, Lukhanji, Sakhisizwe and Tsolwana.

- Lukhanji local municipality, comprising of Queenstown which is a main town and small town of Whittlesea and numerous peri-urban and rural settlements. This is the home to the District administrative centre.
- Sakhisizwe local municipality, comprising of Cala and Elliot and numerous peri-urban and rural settlements.
- Emalahleni local municipality, comprising of Lady Frere, Dodrecht and Indwe and numerous peri-urban and rural settlements.
- Intsika Yethu local municipality, comprising of Cofimvaba, Tsomo and numerous peri-urban and rural settlements.
- Tsolwana local municipality, comprising of Tarkastad and Hofmeyer and surround rural settlements.
- Inkwanca local municipality, comprising of Molteno and Sterkstroom and surrounding peri-urban and rural settlements.
- Inxuba Yethemba local municipality, comprising of Cradock, Middleburg and numerous peri-urban and rural settlements.
- Engcobo local municipality, comprising of Ngcobo and numerous peri-urban and rural settlements.

Chris Hani District Municipality covers an area of 36 558 KM², a change from its previous size of 36, 561 square kilometres in extent due to the changes in demarcation.

Inxuba Yethemba is the largest single municipality (32%) in the district, followed by Tsolwana (16%); Sakhisizwe and Engcobo are the smallest in terms of size (6% each).

2.2 DEMOGRAPHIC OVERVIEW

The Chris Hani District Municipality is one of the municipalities in the Eastern Cape Province. It is centrally situated in the heart of the Eastern Cape, a linking node to all the regions in the province. It also includes sections of the N6 and N10 routes that link the Eastern Cape ports with Gauteng. It comprises eight local municipalities and Chris Hani District Municipality had an estimated total of 804 600 people living within the boundaries of the municipality. The population is decreasing at an average of 0.08% per annum since 2002.

More than 93% of the population belongs to the African population group. In 2012 there were approximately 214 200 households in Chris Hani District Municipality, with an average household size of 3.7 people. The total population density for 2011 was 22 people per km². The total number of individuals with an education level of less than a matric certificate - including those without schooling - was approximately 430 000 in 2012. The total number of individuals having obtained a matric certificate without any other education was 68 950. In 2012, there were 167 400 people in Chris Hani District Municipality who were considered to be functionally illiterate. Expressed as a literacy rate of all people aged 20 and up, this amounts to 63.2% - up by 14.3 percentage points from 48.9% in 2002. Chris Hani District Municipality's literacy rate is still lower than that of the Eastern Cape Province and South Africa as whole. A decline in the numbers of people living in extreme poverty is most certainly an indication that the community is developing. In 2012, there was an estimated 365 400 people (or 45.4% of the total population in Chris Hani District Municipality) living in poverty. This number decreased with 22.1 percentage points since 2002.

The annual per capita income in Chris Hani District Municipality amounted to R23 500 in 2012, which is lower than the province average. The total personal income in 2012 amounts to R18.9 billion which is increasing over time. In 2012 the Chris Hani District Municipality had a Gini coefficient of 0.57. Between 2002 and 2012, income inequality decreased which means that an improvement is seen in the income distribution. It is estimated that just over 83 400 people were employed by formal and informal sectors in the district municipality. The unemployment rate was high at 34.5% in 2012 or 46 400 people. The total economically active population was just over 134 600 people. The largest sector in terms of jobs is the community service sector which includes all levels of government. In 2012, the region had a total Gross Domestic product (GDP) of R13.9 billion which is a contribution of 5.9% to the total GDP of the Eastern Cape Province and 0.4% to the GDP of South Africa as a whole. In 2012, the community services sector contributed 53% towards Chris Hani District Municipality's GVA (an indicator of business activity), with the trade and finance sectors trailing at 18% and 11% respectively.

The Chris Hani Municipality is committed towards ensuring a brighter future for all inhabitants in the region and its investment strategies aim to enhance competitiveness and encourage sustainable growth that is inclusive. A stimulus should be created for the local economy to grow, compete and create more jobs. It is all about competitiveness, about enterprises thriving in competitive markets and locations with the aim to create sustainable employment at the local level. The main approach to do so is:

- To ensure that an environment and opportunities for more labour-absorbing economic activities is established;
- To ensure that the fruits of growth are shared in such a way that poverty is largely eliminated; and
- To ensure that severe inequalities that still plague South Africa are considerably reduced.

Attracting private investors to Chris Hani District Municipality – and assisting them in establishing and growing their businesses within the region – will ultimately result in the generation of income and wealth, as well as increased profit margins which invariably lead to more investment. Once the cycle of investment and positive returns on investment has been established within Chris Hani District Municipality, the economic and socio-economic welfare of the entire community becomes a reality.

1 Introduction

Chris Hani is a District Municipality that has a vision of being a major economic growth stimulator and a courageous destination for trade and investment, creating a better life for all. In order for this to be achieved, the economy needs to grow at levels necessary to support the district's targets in terms of employment creation, socio-economic development and be sustained at levels necessary for poverty alleviation. Analysing the current status of Chris Hani District Municipality's economy in terms of GDP growth, sectoral contributions and shares, as well as development indicators over time, will provide a better understanding of the intricacies in its economy.

Economic growth in the country should be accelerated to an extent where poverty and unemployment is alleviated - and here Chris Hani District Municipality's has an important role to play by promoting the District as a healthy growing destination for several business type initiatives.

The socio economic status quo of Chris Hani District Municipality is presented against the background of a macro economic outlook for South Africa as a whole.

2 Statistical overview report for Chris Hani District Municipality

This report provides a topic-based framework of the historical, current and projected future economy of Chris Hani District Municipality. The goal of this report is to provide the socio-economic context of Chris Hani District Municipality, and to analyse various economic and socio-economic indicators relative to the neighbouring regions, Eastern Cape Province and South Africa. The report also looks at the breakdown of Chris Hani into its local municipalities for a selected number of variables.

1. Demographic

"Demographics", the term used for "population characteristics", includes population groups, age and location of the residents of a specific region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest.

In this section, an overview is provided of the demography of the Chris Hani District Municipality and all its neighbouring regions, the Eastern Cape Province and South Africa as a whole.

1.1 Total Population

Population statistics is important when analysing an economy, as the growth in population directly impacts employment and unemployment as well as other economic indicators like economic growth and per capita income.

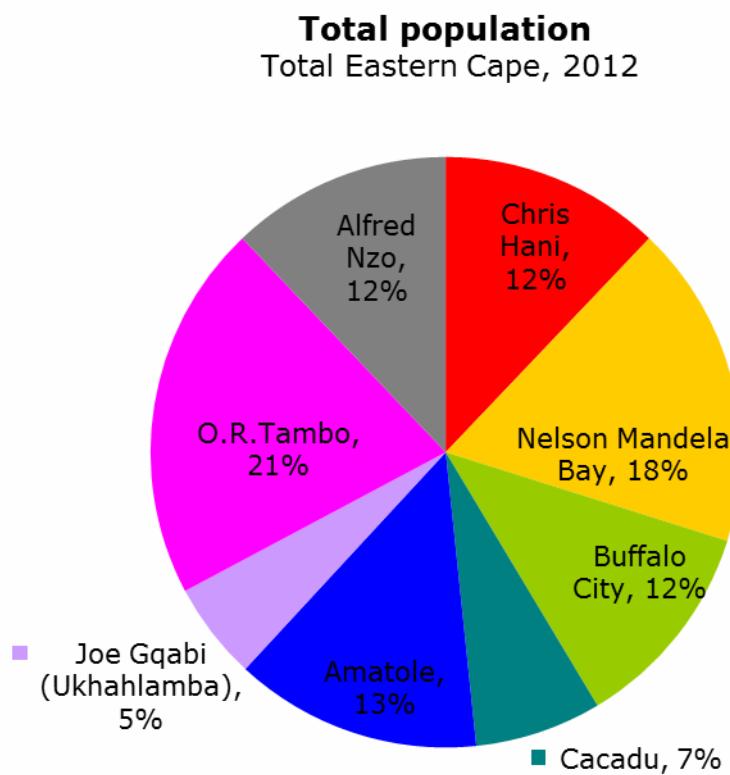
TABLE 1. TOTAL POPULATION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012
[NUMBERS & PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2002	811,355	6,488,918	46,010,360	12.5%	1.8%
2003	806,340	6,487,798	46,556,367	12.4%	1.7%
2004	801,923	6,486,837	47,071,080	12.4%	1.7%
2005	798,256	6,487,856	47,606,384	12.3%	1.7%
2006	795,654	6,492,350	48,177,404	12.3%	1.7%
2007	794,994	6,500,641	48,764,219	12.2%	1.6%
2008	796,209	6,517,241	49,411,215	12.2%	1.6%
2009	798,089	6,539,796	50,028,134	12.2%	1.6%
2010	800,477	6,573,111	50,761,147	12.2%	1.6%
2011	802,441	6,608,741	51,513,755	12.1%	1.6%
2012	804,573	6,645,998	52,248,192	12.1%	1.5%
Average Annual growth					
2002-2012	-0.08%	0.24%	1.28%		

Source: IHS Global Insight Regional eXplorer version 700

With 805 000 people living in Chris Hani, the district municipality housed 1.5% of South Africa's total population in 2012. When compared to Eastern Cape's average annual growth rate (0.24%), Chris Hani's population has grown at a significant lower rate of -0.08% over the last decade. There was a decline in the overall population for Chris Hani during the years 2002 to 2007 – resulting in negative growth. From 2008 onwards, there has been a slight increase again with positive growth.

CHART 1. TOTAL POPULATION - CHRIS HANI AND THE REST OF EASTERN CAPE, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

When compared to other regions, Chris Hani with a total population of 805,000 or 12.1% of the total population in Eastern Cape ranks fourth in 2012. The ranking in terms of size compared to the other regions of Chris Hani remained the same between 2002 and 2012. In terms of its share, it was in 2012 (12.1%) slightly smaller compared to what it was in 2002 (12.5%). When looking at the average annual growth rate, it is noted that Chris Hani ranked seventh (relative to its peers in terms of growth) with an average annual growth rate of -0.1% between 2002 and 2012.

TABLE 2. TOTAL POPULATION - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2002, 2007 AND 2012 [NUMBERS & PERCENTAGE]

Local Municipality	2002	2007	2012	Average Annual growth
Inxuba Yethemba	63,669	64,750	66,788	0.48%
Tsolwana	32,901	32,290	33,712	0.24%
Inkwanca	21,096	21,589	22,430	0.61%
Lukanji	188,301	189,384	194,435	0.32%
Intsika Yethu	153,211	145,881	145,725	-0.50%
Emalahleni	119,397	115,962	119,915	0.04%
Engcobo	163,624	157,903	156,309	-0.46%
Sakhisizwe	69,156	67,235	65,258	-0.58%
Chris Hani	811,355	794,994	804,573	

Source: IHS Global Insight Regional eXplorer version 700

The local municipality that had the lowest population growth (in fact negative, i.e. the population is shrinking) is the Sakhisizwe Local Municipality, where the population decreased at an average annual rate of 0.58%. The municipality with the highest population growth rate is the Inkwanca Local Municipality at 0.61% average annual growth. The Inxuba Yethemba Local Municipality too had a positive growth rate of 0.48%, which is still significantly lower than the average national growth of 1.28% over the same period.

1.1.1 Population forecast

Based on the present age-gender structure and the present fertility, mortality and migration rates, Chris Hani's population is forecast to grow at an average annual rate of 0.4% from 2012 to 820 000 in 2017.

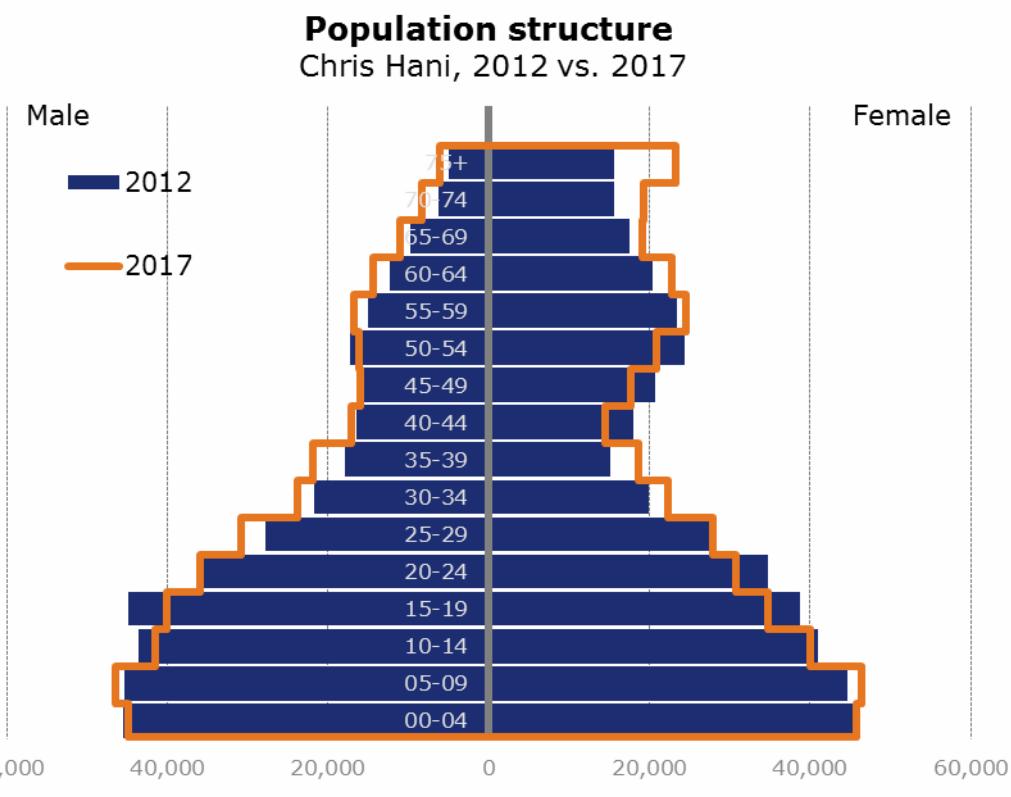
TABLE 3. POPULATION FORECAST - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012-2017
[NUMBERS & PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2012	804,573	6,645,998	52,248,192	12.1%	1.5%
2013	807,272	6,684,470	52,970,625	12.1%	1.5%
2014	810,240	6,722,591	53,670,888	12.1%	1.5%
2015	813,473	6,760,684	54,353,011	12.0%	1.5%
2016	816,609	6,796,639	55,002,438	12.0%	1.5%
2017	819,603	6,830,208	55,618,807	12.0%	1.5%
Average Annual growth					
2012-2017	0.37%	0.55%	1.26%		

Source: IHS Global Insight Regional eXplorer version 700

When looking at the population forecast of Chris Hani District Municipality shows an estimated average annual growth rate of 0.4% from 2012 with 805 000 people which is estimated to increase to 820 000 people in 2017. The forecast includes the assumption that internal job-seeking migration is slowing down, which historically had a huge impact on the population in Chris Hani where lots of young working age people left Chris Hani looking for work in the bigger metropolitan areas. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 0.5% and 1.3% respectively.

CHART 2. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY, 2012 VS. 2017 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The population pyramid reflects a change in the structure of the population from 2012 and 2017. The differences can be explained as follow:

- In 2012, there is a very similar share of young working age people between 20 and 34 (20.9%), compared to what is estimated in 2017 (20.9%). This age category of young working age population is increasing overtime.
- The fertility rate in 2017 is estimated to be slightly lower compared to that of 2012.
- The share of children between the ages of 0 to 14 years is slightly larger (33.0%) in 2012 compared to 2017 (32.3%).

In 2012, the female population for the 20 to 34 years age group amounts to 10.2% of the total female population while the male population group for the same age amounts to 10.7% of the total male population. In 2017 the male working age population at 11.0% still exceeds that of the female population working age population at 9.9%.

1.2 Population by population group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory, divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

TABLE 4. POPULATION BY GENDER - CHRIS HANI AND THE REST OF EASTERN CAPE, 2012 [NUMBER].

	Male	Female	Total
Chris Hani	381,229	423,344	804,573
Nelson Mandela Bay	572,239	607,265	1,179,505
Buffalo City	369,940	398,031	767,971
Cacadu	227,487	233,707	461,194
Amatole	422,364	476,969	899,333
Joe Gqabi (Ukhahlamba)	168,223	186,498	354,721
O.R.Tambo	638,619	735,904	1,374,523
Alfred Nzo	370,928	433,251	804,179
Eastern Cape	3,151,030	3,494,969	6,645,998

Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality's male/female split in population was 1.11 female per male in 2012. In total there were 423 000, (52.62%) females and 381 000 (47.38%) males. This is similar to the Eastern Cape as a whole where the female population counted 3.49 million which constitutes 52.59% of the total population of 6.65 million.

TABLE 5. POPULATION BY POPULATION GROUP, GENDER AND AGE - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [NUMBER].

	African		White		Coloured		Asian	
	Male	Female	Male	Female	Male	Female	Male	Female
00-04	43,135	43,399	440	433	1,867	1,955	77	93
05-09	43,063	42,321	508	456	1,689	1,782	56	60
10-14	41,392	38,668	483	554	1,607	1,739	65	52
15-19	42,664	36,654	542	514	1,590	1,524	48	60
20-24	34,406	32,858	394	384	1,476	1,446	130	57
25-29	25,745	25,519	538	528	1,240	1,383	190	53
30-34	20,131	18,310	486	522	1,044	1,110	120	55
35-39	16,327	13,617	533	552	919	972	85	49
40-44	14,816	16,341	592	584	932	973	72	43
45-49	14,774	19,197	585	673	941	888	48	35
50-54	15,873	22,869	630	682	754	799	39	24
55-59	13,768	22,037	599	600	619	730	27	32
60-64	11,351	19,209	476	539	492	600	26	31
65-69	8,916	16,619	449	465	314	432	14	8
70-74	5,625	14,939	343	351	210	341	8	6
75+	4,349	14,748	402	472	185	382	11	12
Total	356,334	397,306	8,000	8,310	15,879	17,057	1,015	670

Source: IHS Global Insight Regional eXplorer version 700

In 2012, the Chris Hani District Municipality's population consisted of 93.67% African (754 000), 2.03% White (16 300), 4.09% Coloured (32 900) and 0.21% Asian (1 690). The largest share of population in terms of age is within the 00-04 age category with a total number of 91 400 or 11.4% of the total population. The age category with the second largest number of people is the 05-09 age category with a total share of

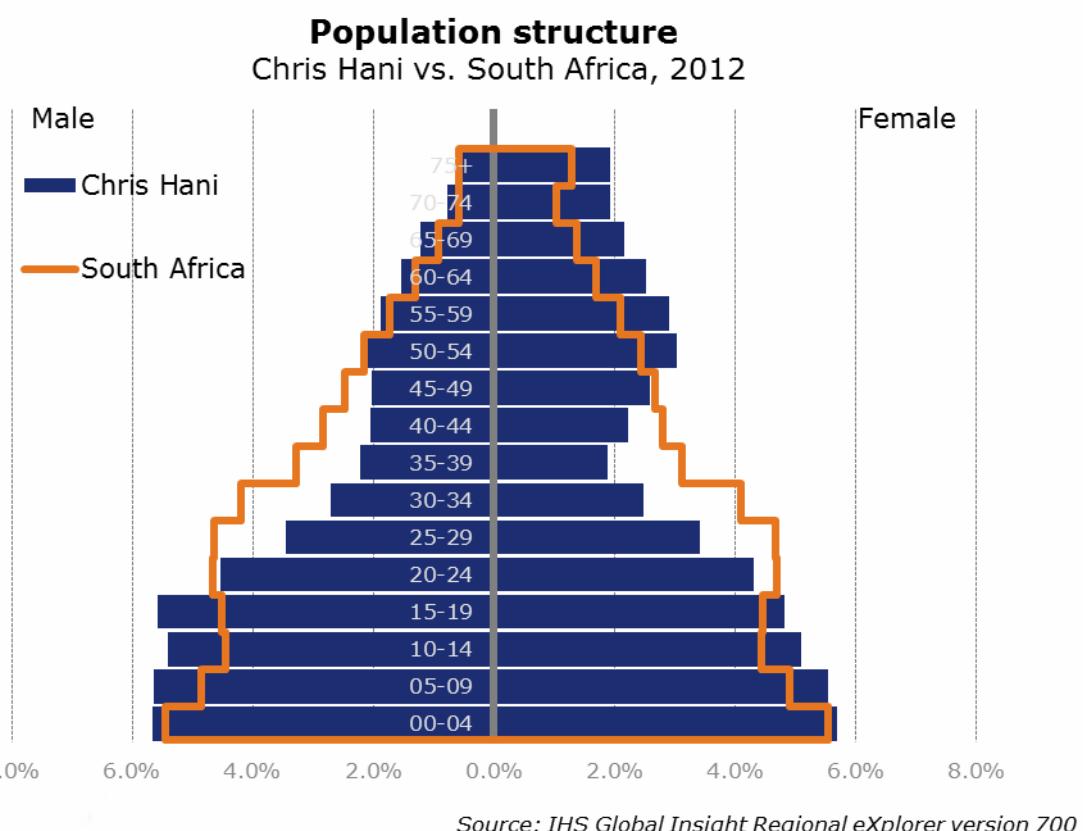
11.2%, followed by the 10-14 age category with 84 600 people. The age category with the least number of people is the 75+ age category with only 20 600 people, as reflected in the population pyramids below

1.2.1 Population Pyramids

Definition: A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

With the African population group represents 93.7% of the Chris Hani District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Chris Hani's population structure of 2012 to that of South Africa.

CHART 3. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY VS. SOUTH AFRICA, 2012
[PERCENTAGE]

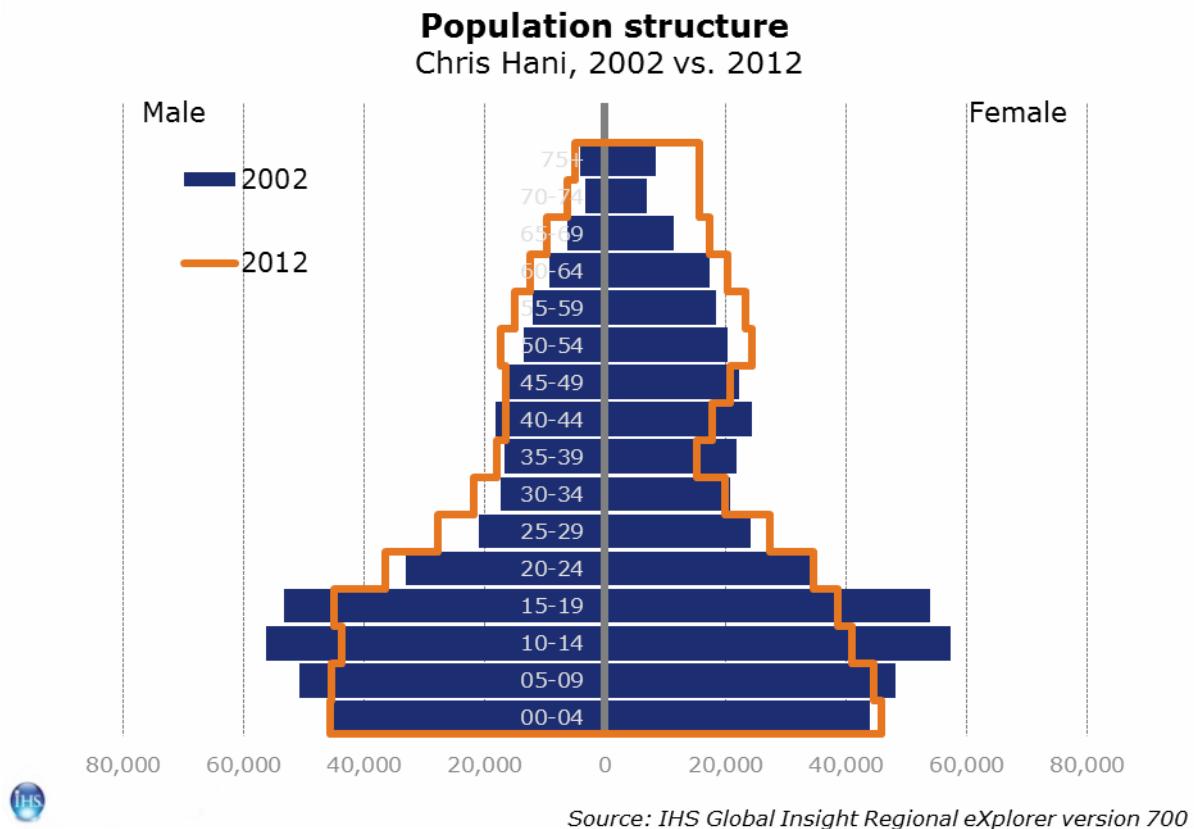


By comparing the Chris Hani District Municipality's population pyramid with South Africa's several signs of change can be noticed. The most significant differences between the Chris Hani and South Africa are:

- There is a significant smaller share of young working age people - aged 20 to 34 (20.9%) in Chris Hani, compared to the national picture (27.0%)
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.
- Fertility in Chris Hani is significantly higher compared to South Africa as a whole.

- The share of children between the ages of 0 to 14 years is significantly larger (33.0%) in Chris Hani compared to South Africa (29.7%). Demand for expenditure on schooling as percentage of total budget within Chris Hani will be higher than that of South Africa.

CHART 4. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY, 2002 VS. 2012 [PERCENTAGE]



Comparing the 2002 with the 2012 population pyramid for Chris Hani District Municipality, interesting differences are visible:

- In 2002, there were a significant smaller share of young working age people - aged 20 to 34 (18.7%), compared to 2012 (20.9%) – and this is in particular true for the males.
- Fertility in 2012 was significant lower compared to that of 2002.
- The share of children between the ages of 0 to 14 years is significantly larger in 2002 (37.2%) compared to 2012 (33.0%).
- Life expectancy in general is increasing, with more old age people (65+) in 2012 compared to 2002.

In 2002, the female population for the 20 to 34 years age group amounts to 9.9% of the total female population while the male population group for the same age amounts to 8.8% of the total male population. In 2012 the male working age population at 10.7% still exceeds that of the female population working age population at 10.2%

1.3 Number of Households by Population Group

Definition: A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within

the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing and vice versa. In 2012, the Chris Hani District Municipality comprised of 214 000 households. This equates to an average annual growth rate of 1.22% in the number of households between 2002 and 2012. With an average annual growth rate of -0.08% in the total population, the household size in the Chris Hani District Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2002 decrease from approximately 4.3 individuals per household to 3.8 persons per household in 2012.

TABLE 6. NUMBER OF HOUSEHOLDS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012
[NUMBER & PERCENTAGE]

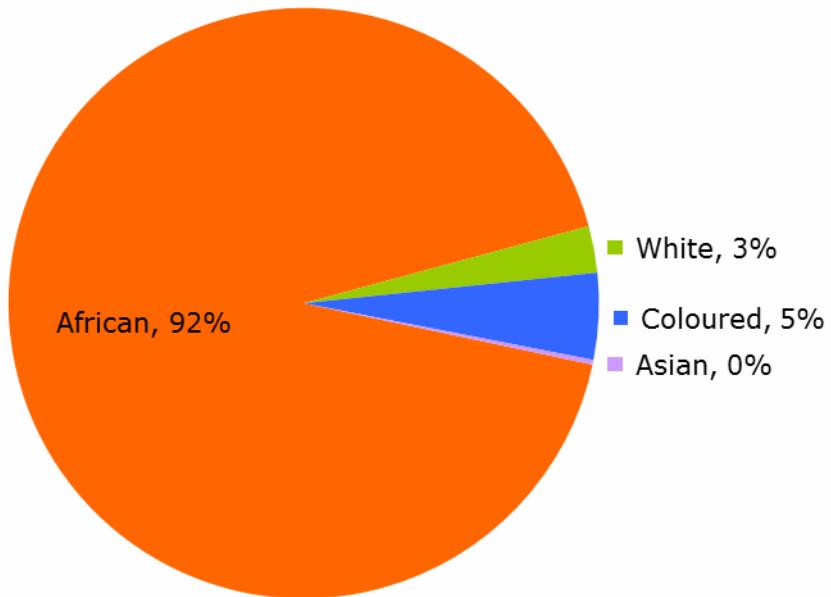
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2002	189,792	1,537,800	12,014,757	12.3%	1.6%
2003	193,178	1,564,958	12,385,568	12.3%	1.6%
2004	195,787	1,585,275	12,725,259	12.4%	1.5%
2005	198,601	1,606,397	13,034,529	12.4%	1.5%
2006	202,302	1,632,861	13,317,242	12.4%	1.5%
2007	207,039	1,664,144	13,595,780	12.4%	1.5%
2008	211,355	1,690,361	13,876,167	12.5%	1.5%
2009	213,950	1,703,889	14,081,872	12.6%	1.5%
2010	215,246	1,710,168	14,270,892	12.6%	1.5%
2011	214,619	1,707,839	14,498,115	12.6%	1.5%
2012	214,221	1,704,690	14,748,242	12.6%	1.5%
Average Annual growth					
2002-2012	1.22%	1.04%	2.07%		

Source: IHS Global Insight Regional eXplorer version 700

Relative to the province, Chris Hani had a higher average annual growth rate of 1.22% from 2002 to 2012. In contrast, South Africa had a total of 14.7 million households, with a growth rate of 2.07%, thus growing at a higher rate than the Chris Hani. The composition of the households by population group consists of 92.5% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 4.7% (ranking second). The White population group had a total composition of 2.5% of the total households. The smallest population group by households is the Asian population group with only 0.3%.

Number of households by population group - Chris Hani District Municipality, 2012 [Percentage]

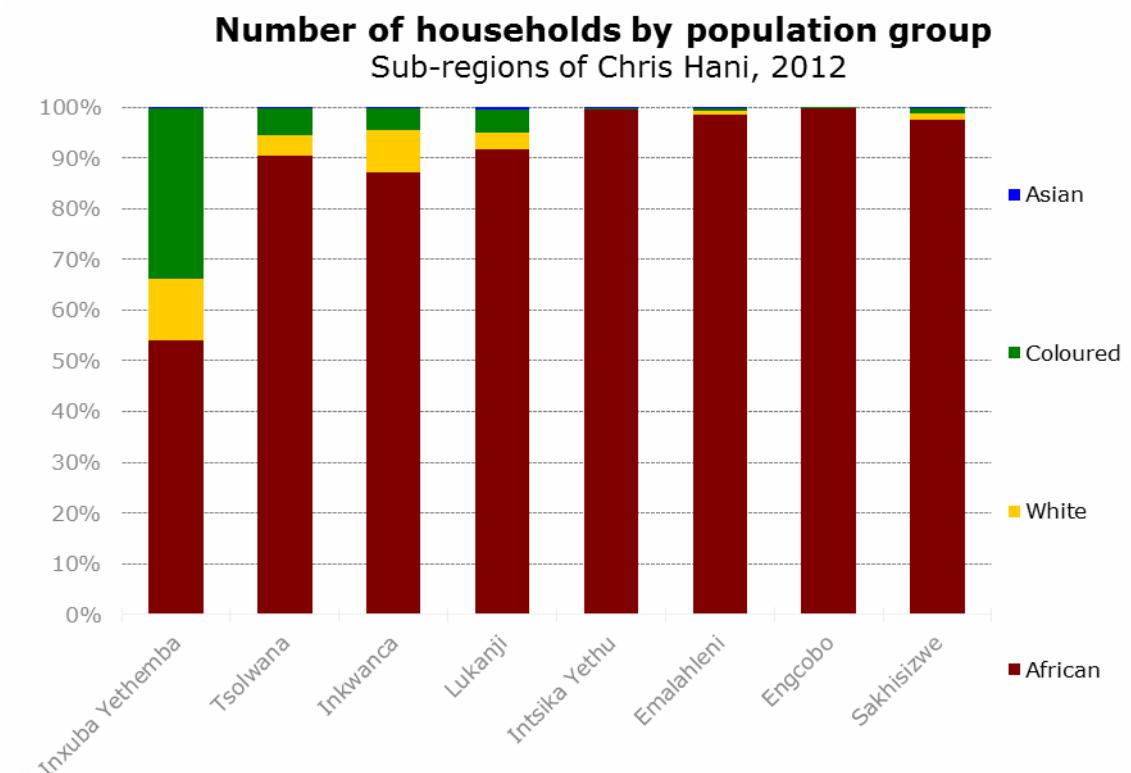
Number of Households by Population group
Chris Hani, 2012



Source: IHS Global Insight Regional eXplorer version 700

The growth in the number of households for the African population is on average 1.17% per annum for the period 2002 to 2012, which translates to an increase of 21 800 in households over the period. The average annual growth rate in the number of households for all the other population groups has increased with 1.77%.

TABLE 7. NUMBER OF HOUSEHOLDS BY POPULATION GROUP – LOCAL MUNICIPALITIES OF CHRIS HANI, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The African population group is dominant in the entire Chris Hani district, with only Inxuba Yethemba local municipality having a significant non-African portion.

1.4 HIV+ and AIDS estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Ante-Natal clinic surveys. Their rates are further adjusted for over-reporting and are smoothed.

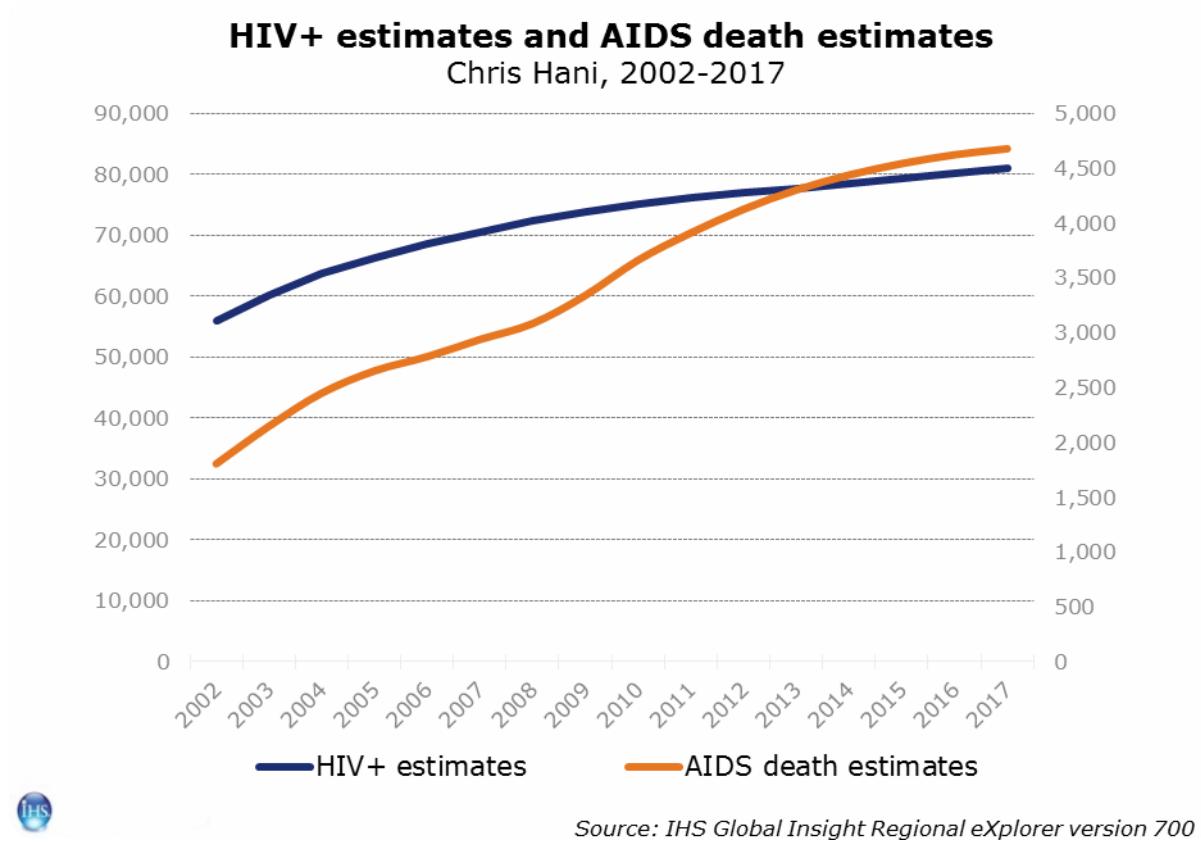
TABLE 8. NUMBER OF HIV+ PEOPLE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012
[NUMBER AND PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2002	55,878	464,480	3,726,631	12.0%	1.5%
2003	60,220	503,215	4,043,843	12.0%	1.5%
2004	63,626	534,095	4,296,423	11.9%	1.5%
2005	66,307	558,526	4,492,701	11.9%	1.5%
2006	68,551	578,662	4,649,261	11.8%	1.5%
2007	70,486	594,456	4,764,161	11.9%	1.5%
2008	72,321	608,453	4,867,738	11.9%	1.5%
2009	73,894	620,405	4,949,525	11.9%	1.5%
2010	75,186	630,283	5,026,673	11.9%	1.5%
2011	76,224	639,691	5,096,723	11.9%	1.5%
2012	76,909	646,329	5,148,663	11.9%	1.5%
Average Annual growth					
2002-2012	3.25%	3.36%	3.29%		

Source: IHS Global Insight Regional eXplorer version 700

In 2012, 76 900 people in the Chris Hani District Municipality were HIV positive. This reflects an increased at an average annual rate of 3.25% since 2002, and in 2012 represented 9.56% of the district municipality's total population. Eastern Cape had an average annual growth rate of 3.36% from 2002 to 2012 in the number of people infected with HIV, which is higher than that of the Chris Hani District Municipality. The number of infections in South Africa increased from 3.73 million in 2002 to 5.15 million in 2012.

CHART 5. AIDS PROFILE AND FORECAST - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2017 [NUMBERS]



Presenting the number of HIV+ people against the number of AIDS deaths, the estimated number of AIDS deaths added up to 1 800 for 2002 and 4 120 for 2012. This number denotes an increase from 2002 to 2012 with a sadly high average annual rate of 8.62% (or 2 320 deaths).

2. Economic

In order to put the economic state of Chris Hani District Municipality in perspective, the district municipality is compared on a spatial level with South Africa, Eastern Cape Province and the neighbouring region economies. Furthermore, the regions within Chris Hani is compared and put in perspective with Chris Hani as a whole.

2.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth as if prices were frozen in a given base year.

TABLE 9. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [R BILLIONS, CURRENT PRICES]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2002	5.3	90.6	1,171.1	5.8%	0.5%
2003	5.9	101.2	1,272.5	5.8%	0.5%
2004	6.4	111.9	1,415.3	5.7%	0.5%
2005	7.0	122.8	1,571.1	5.7%	0.4%
2006	7.6	134.8	1,767.4	5.6%	0.4%
2007	8.4	151.0	2,016.2	5.6%	0.4%
2008	9.2	169.0	2,256.5	5.5%	0.4%
2009	10.2	182.1	2,406.4	5.6%	0.4%
2010	11.6	202.0	2,659.4	5.8%	0.4%
2011	12.8	217.8	2,917.5	5.9%	0.4%
2012	13.9	236.2	3,155.2	5.9%	0.4%

Source: IHS Global Insight Regional eXplorer version 700

With a GDP of R 13.9 billion in 2012 (up from R 5.28 billion in 2002) Chris Hani District Municipality contributed 5.87% to the Eastern Cape Province GDP of R 236 billion in 2012. The Chris Hani District Municipality contributes 0.44% to the GDP of South Africa which had a total GDP of R 3.16 trillion at current prices in 2012.

TABLE 10. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2005 PRICES]

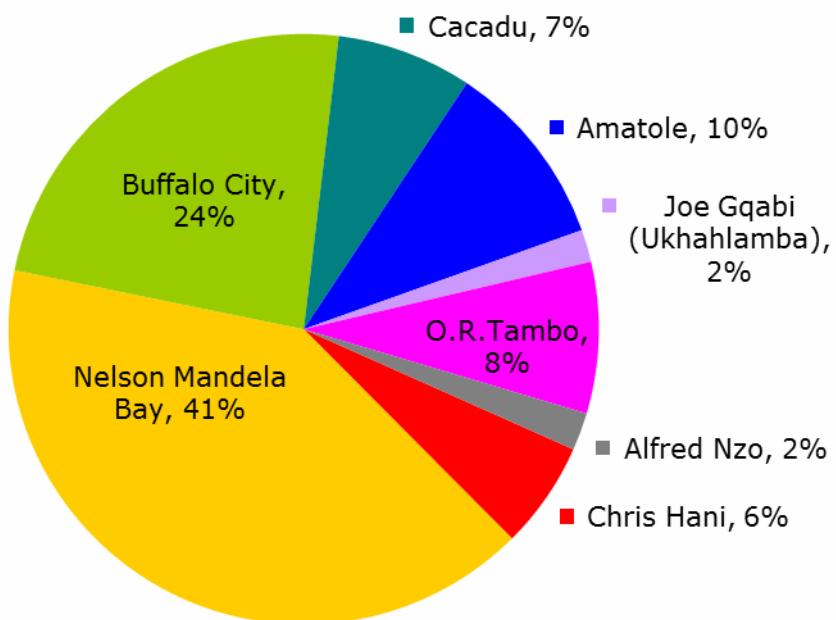
	Chris Hani	Eastern Cape	National Total
2002	1.5%	1.8%	3.7%
2003	2.3%	2.6%	2.9%
2004	2.1%	3.6%	4.6%
2005	3.0%	4.9%	5.3%
2006	4.3%	5.4%	5.6%
2007	3.2%	5.4%	5.5%
2008	1.7%	3.7%	3.6%
2009	0.3%	-1.1%	-1.5%
2010	3.0%	2.4%	3.1%
2011	4.7%	3.4%	3.5%
2012	1.9%	2.6%	2.5%

Source: IHS Global Insight Regional eXplorer version 700

In 2012, the Chris Hani District Municipality had an annual growth rate of 1.91% in GDP which is lower than the Eastern Cape Province with GDP growth of 2.57%. The Chris Hani District Municipality has lower GDP growth than South Africa's 2.55% in constant 2005 prices.

CHART 6. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2012 [PERCENTAGE]

Gross Domestic Product (GDP) Eastern Cape, 2012



Source: IHS Global Insight Regional eXplorer version 700

The Chris Hani District Municipality, with a total GDP of R 13.9 billion, contributes the sixth of all the regional economies to total Eastern Cape GDP. This ranking in terms of size compared to other regions of Chris Hani remained the same since 2002. In terms of its share, it was in 2012 (5.9%) very similar compared to what it was in 2002 (5.8%). For the period 2002 to 2012, the average annual growth rate of 2.7% of Chris Hani was the seventh relative to its peers in terms of growth in constant 2005 prices.

A municipality does not function in isolation and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2002, 2007 AND 2012 [R MILLIONS, CONSTANT 2005 PRICES]

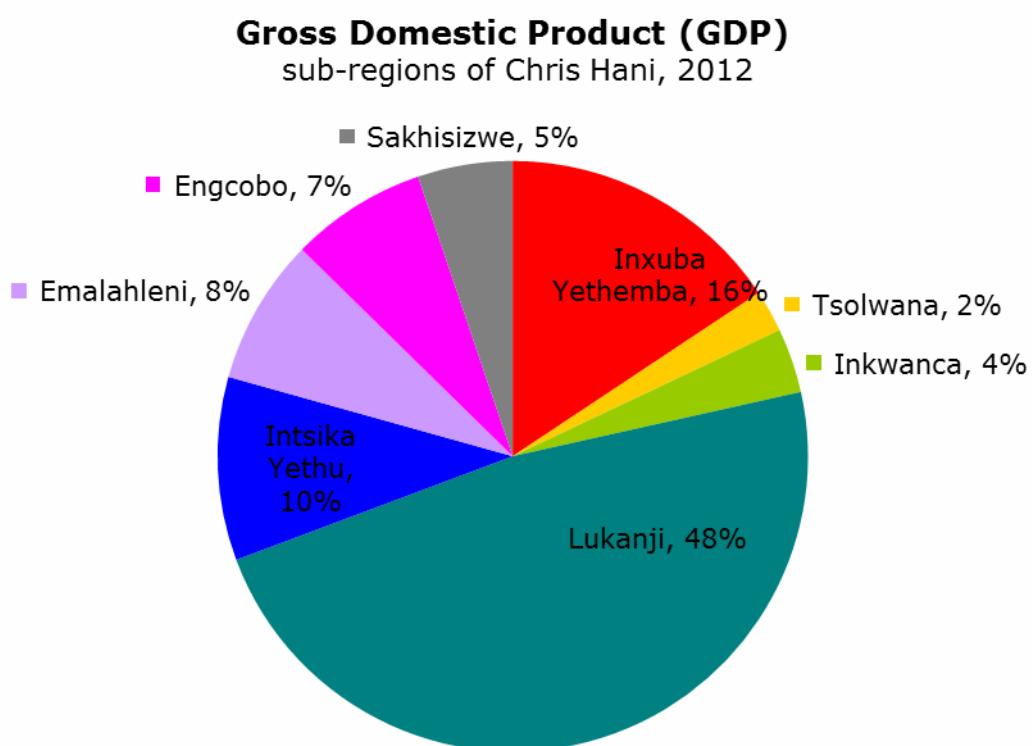
Local Municipality	2002	2007	2012	Average Annual growth
Inxuba Yethemba	983.6	1,156.8	1,330.8	3.07%
Tsolwana	158.6	178.7	210.2	2.86%
Inkwanca	266.7	298.5	320.1	1.84%
Lukanji	3,065.5	3,597.1	3,979.1	2.64%
Intsika Yethu	665.7	751.1	844.5	2.41%
Emalahleni	507.0	581.0	662.7	2.72%

Local Municipality	2002	2007	2012	Average Annual growth
Engcobo	481.6	549.0	619.9	2.56%
Sakhisizwe	328.6	373.6	424.2	2.59%

Source: IHS Global Insight Regional eXplorer version 700

Inkwanca Local Municipality had the lowest average annual economic growth rate when compared to its peers in Chris Hani. Besides the fact that it was growing the slowest, it is also one of the smallest municipalities in terms of the absolute GDP size. The local municipality that had the highest average annual growth rate was the Inxuba Yethemba Local Municipality with a 3.07% increase. All of the local municipalities experience a positive average annual growth rate between 2002 and 2012.

CHART 7. GDP CONTRIBUTION - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2012
[CURRENT PRICES, PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The greatest contributor to the Chris Hani District Municipality economy is the Lukanji Local Municipality with a share of 48% or R 6.62 billion. The economy with the lowest contribution is the Tsolwana Local Municipality with only R 317 million.

TABLE 12. GDP GROWTH - LOCAL MUNICIPALITIES OF DISTRICT MUNICIPALITY [ANNUAL PERCENTAGE CHANGE, CONSTANT 2005 PRICES]

Inxuba Yethemba	Tsolwana	Inkwanca	Lukanji	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	
2002	1.6%	-1.1%	2.5%	2.7%	-0.3%	0.8%	-1.0%	-0.2%

	Inxuba Yethemba	Tsolwana	Inkwanca	Lukanji	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe
2003	2.8%	0.1%	-0.2%	3.1%	2.1%	0.5%	1.9%	0.9%
2004	1.5%	0.7%	1.6%	2.6%	2.3%	1.7%	2.2%	1.6%
2005	3.1%	-0.6%	2.0%	3.7%	1.4%	3.6%	2.0%	2.9%
2006	4.5%	7.0%	5.1%	3.8%	4.6%	4.8%	4.6%	4.7%
2007	4.7%	5.2%	3.0%	3.1%	1.9%	3.3%	2.7%	2.9%
2008	4.0%	4.6%	2.1%	1.1%	1.5%	0.6%	1.5%	1.1%
2009	1.2%	0.6%	-1.1%	-0.7%	2.1%	1.6%	1.1%	1.3%
2010	2.7%	5.5%	1.9%	2.2%	3.6%	5.2%	4.1%	4.2%
2011	4.0%	6.4%	2.8%	5.0%	3.7%	5.7%	4.5%	5.3%
2012	2.2%	-0.5%	1.4%	2.7%	1.0%	0.4%	1.1%	1.0%

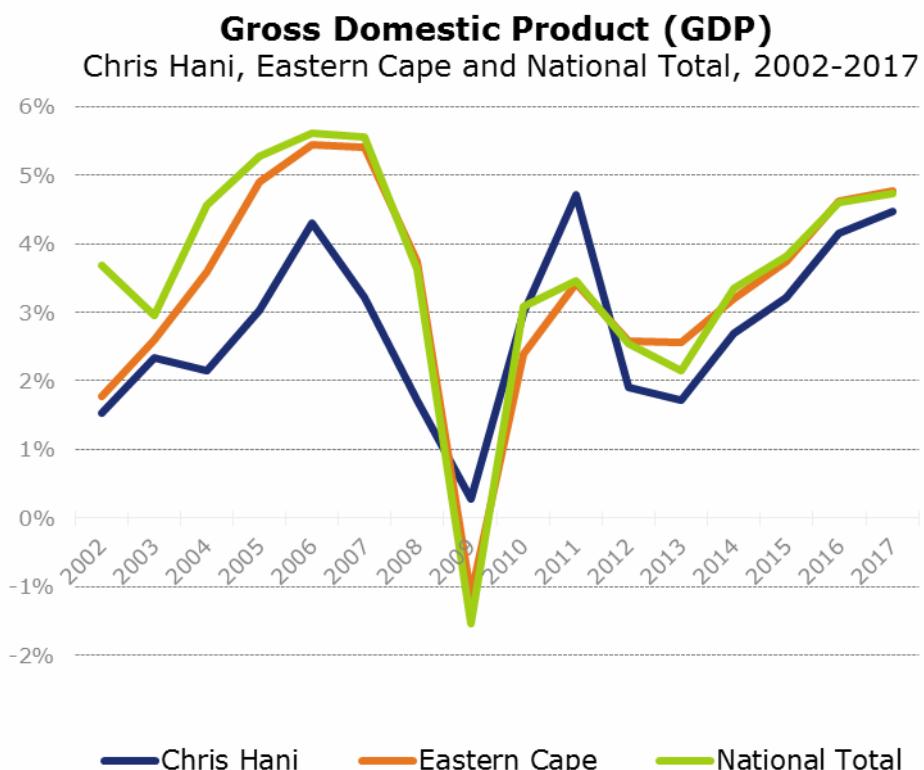
Source: IHS Global Insight Regional eXplorer version 700

In 2012, the Lukanji Local Municipality had the highest annual growth rate from 2011 with 2.7%. The local municipality with the lowest annual growth rate is the Tsolwana Local Municipality which decreased with 0.5% from 2011.

2.1.1 Economic Growth Forecast

It is expected that Chris Hani District Municipality will grow at an average annual rate of 3.25% from 2012 to 2017. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 3.77% and 3.72% respectively.

TABLE 13. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2017 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2005 PRICES]



Source: IHS Global Insight Regional eXplorer version 700



In 2017, Chris Hani's forecasted GDP will be an estimated R 9.84 billion (constant 2005 prices) or 5.4% of the total GDP of Eastern Cape. The ranking in terms of size of Chris Hani will remain the same between 2012 and 2017, with a contribution to the Eastern Cape Province GDP of 5.4% in 2017 compared to the 5.5% in 2012. At a 3.25% average annual growth in GDP between 2012 and 2017, Chris Hani ranked the seventh compared to the other regional economies.

TABLE 14. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012-2017 [R BILLIONS, CONSTANT 2005 PRICES]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amatole	Joe Gqabi (Ukahlamba)	O.R.Tambo	Alfred Nzo
2012	8.39	63.92	36.17	11.14	15.26	2.60	11.79	2.87
2013	8.54	65.65	37.26	11.40	15.65	2.64	12.01	2.91
2014	8.77	67.70	38.60	11.77	16.16	2.72	12.34	2.98
2015	9.05	70.23	40.18	12.20	16.78	2.81	12.75	3.07
2016	9.42	73.46	42.15	12.75	17.57	2.93	13.28	3.19
2017	9.84	76.93	44.27	13.35	18.43	3.06	13.89	3.33
Average Annual growth								
2012-2017	3.25%	3.77%	4.12%	3.69%	3.85%	3.35%	3.32%	3.05%

Source: IHS Global Insight Regional eXplorer version 700

The largest economy in Chris Hani, the Lukanji Local Municipality, had a 3.32% average annual growth rate forecasted which is the second highest forecasted average annual growth rate for all the local municipalities in the Chris Hani District Municipality. Inxuba Yethemba Local Municipality is the local municipality with the highest expected average annual growth of 3.38% annually. The local municipality with the lowest expected average annual growth rate is the Intsika Yethu Local Municipality with an increase of 2.96%.

TABLE 15. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012-2017 [R MILLIONS, CONSTANT 2005 PRICES]

	Inxuba Yethemba	Tsolwana	Inkwanca	Lukanji	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe
2012	1,330.8	210.2	320.1	3,979.1	844.5	662.7	619.9	424.2
2013	1,357.7	213.9	325.4	4,051.4	855.6	673.3	628.0	430.9
2014	1,397.1	219.9	334.1	4,162.9	876.3	690.7	643.4	441.8
2015	1,443.4	227.2	344.8	4,300.0	902.2	712.6	662.9	455.4
2016	1,503.2	236.6	359.0	4,482.0	937.3	741.9	689.6	473.9
2017	1,571.2	247.0	374.5	4,685.7	976.9	775.3	719.5	494.9
Average Annual growth								
2012-2017	3.38%	3.28%	3.19%	3.32%	2.96%	3.19%	3.03%	3.13%

Source: IHS Global Insight Regional eXplorer version 700

2.2 Gross Value Added by Region (GVA-R)

Chris Hani District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its "value added" produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value added (GVA) of all the regions in perspective to that of the Chris Hani District Municipality.

TABLE 16. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [R BILLIONS, CURRENT PRICES]

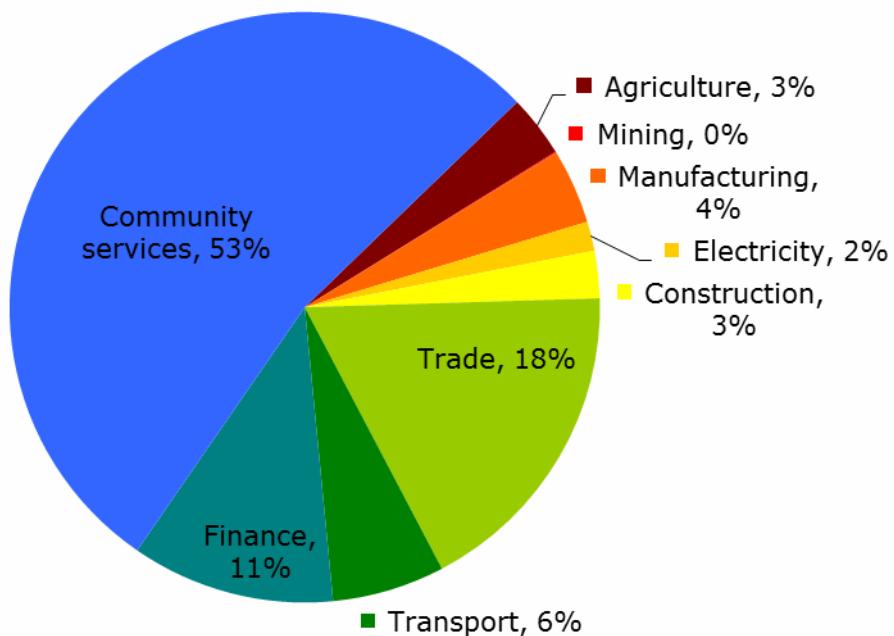
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
Agriculture	0.4	3.5	72.7	12.2%	0.6%
Mining	0.0	0.2	262.7	3.4%	0.0%
Manufacturing	0.5	28.2	351.1	1.8%	0.1%
Electricity	0.2	3.1	79.1	6.5%	0.3%
Construction	0.3	4.9	112.6	6.7%	0.3%
Trade	2.3	36.1	452.7	6.3%	0.5%
Transport	0.8	18.4	257.7	4.3%	0.3%
Finance	1.4	43.8	608.5	3.2%	0.2%
Community services	6.8	74.0	637.9	9.1%	1.1%
Total Industries	12.7	212.2	2,835.1	6.0%	0.4%

Source: IHS Global Insight Regional eXplorer version 700

In 2012, the Community services sector is the largest within Chris Hani District Municipality accounting for R 6.76 billion or 53.17% of the total GVA in Chris Hani. The sector that contributes the second most to the GVA of the Chris Hani District Municipality is the Trade sector with 17.79%, followed by the Finance sector with 11.14%. The sector that contributes the least to the economy of Chris Hani District Municipality is the Mining sector with a contribution of R 7.09 million or 0.06% to the total GVA.

CHART 8. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE COMPOSITION]

Gross Value Added (GVA) by broad economic sector
Chris Hani, 2012



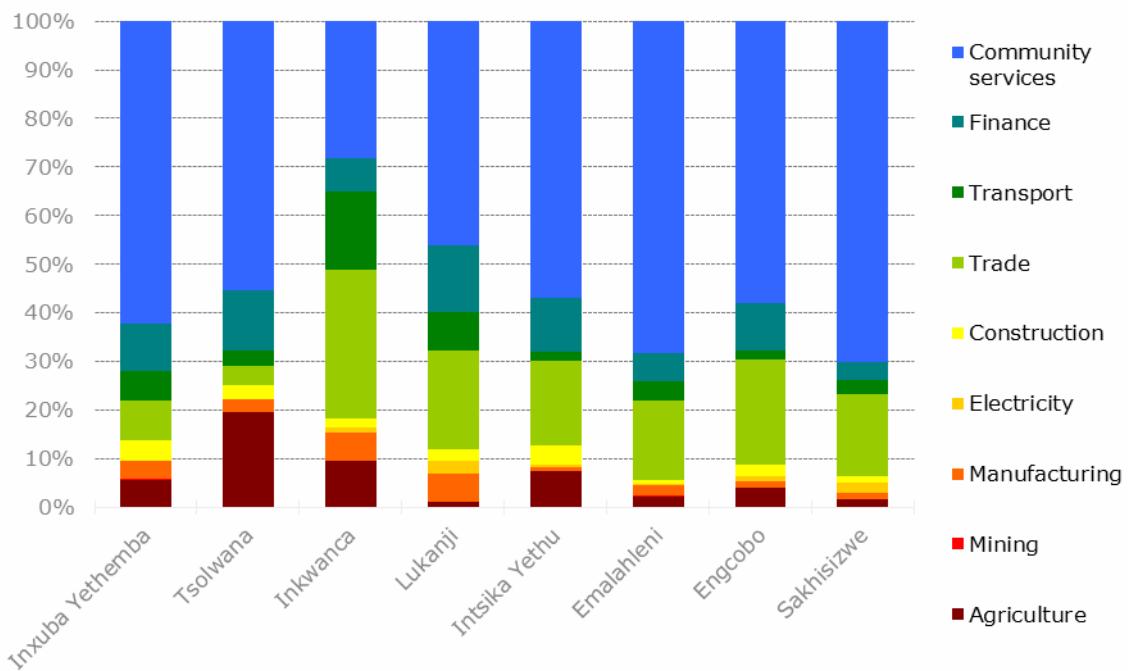
Source: IHS Global Insight Regional eXplorer version 700

The greatest contributor towards the GVA of the local municipalities is the community sector (ranging from 28% for the Inkwanca Local Municipality to 70% for Sakhisizwe Local Municipality), with the Lukanji Local Municipality community services contributing 46% or R 2.8 billion to the total Gross value added of the its own local municipality.



CHART 9. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE COMPOSITION]

Gross Value Added (GVA) by broad economic sector Sub-regions of Chris Hani, 2012



Source: IHS Global Insight Regional eXplorer version 700

2.2.1 Historical Economic Growth

For the period 2012 and 2002 the GVA in the Construction sector had the highest average annual growth rate in Chris Hani at 7.07%. The industry with the second highest average annual growth rate is the Finance sector at 4.54% per year. The Manufacturing sector had an average annual growth rate of 0.87%, while the Mining sector had the lowest average annual growth of 0.43%. Overall a positive growth existed for all the industries in 2012 with an average annual growth rate of 1.78%.

TABLE 17. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2002, 2007 AND 2012 [R MILLIONS, 2005 CONSTANT PRICES]

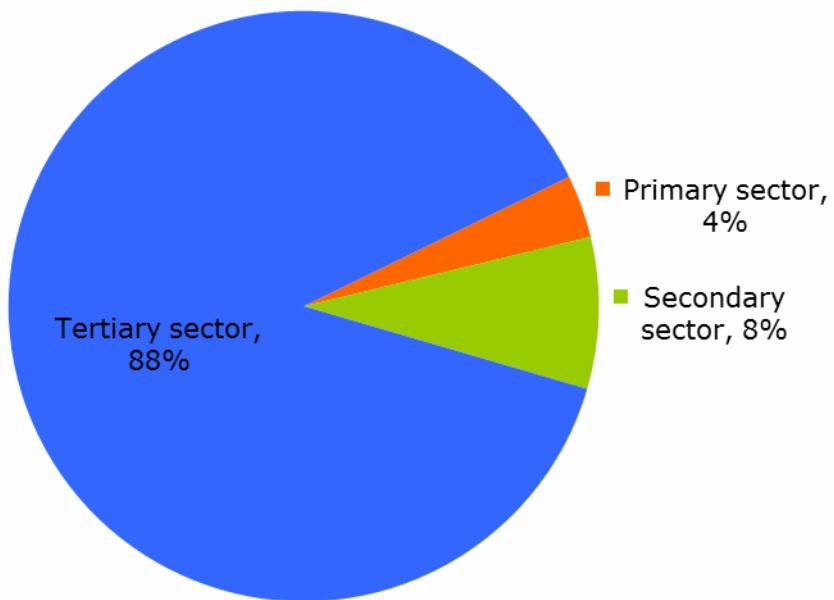
	2002	2007	2012	Average Annual growth
Agriculture	310.7	299.7	354.5	1.33%
Mining	5.4	5.6	5.6	0.43%
Manufacturing	366.0	393.7	399.0	0.87%
Electricity	75.3	92.1	89.1	1.70%
Construction	120.4	205.4	238.5	7.07%
Trade	985.7	1,099.5	1,165.6	1.69%
Transport	398.2	437.7	448.0	1.19%
Finance	642.5	862.8	1,002.0	4.54%
Community services	2,903.3	3,371.3	3,894.8	2.98%
Total Industries	5,807.5	6,767.9	7,597.0	2.72%

Source: IHS Global Insight Regional eXplorer version 700

The Tertiary sector contributes the most to the Gross Value Added within Chris Hani District Municipality at 88.3%. The Secondary sector contributed a total of 8.3% (ranking second), while the aggregate economic sector that contributed the least to the total GVA is the Primary sector with a total of 3.4%.

CHART 10. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE]

Gross Value Added (GVA) by aggregate economic sector
Chris Hani, 2012



Source: IHS Global Insight Regional eXplorer version 700

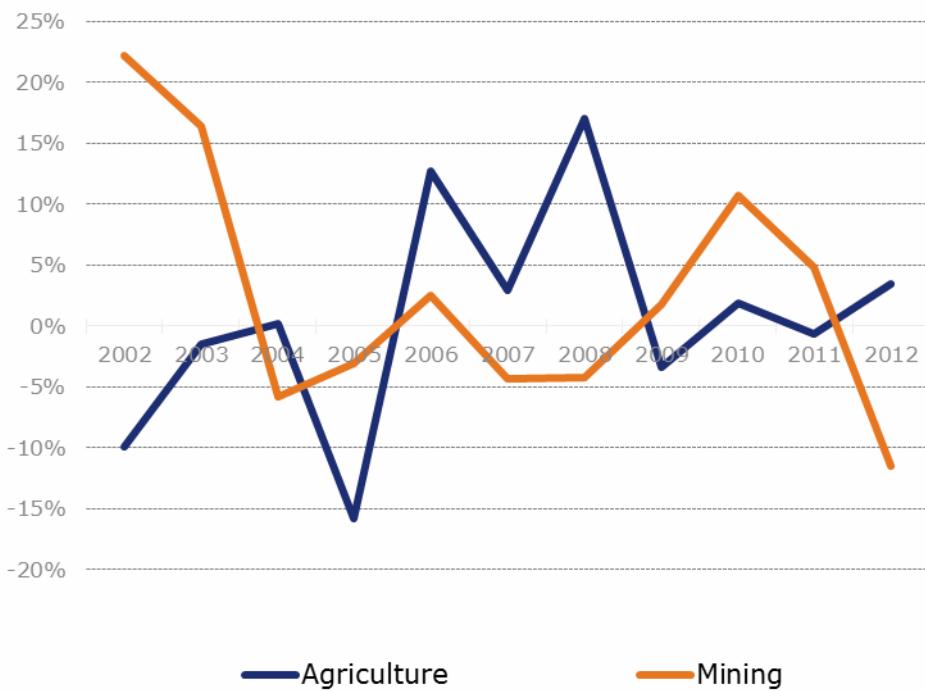
The following is a breakdown of the Gross Value Added (GVA) by aggregated sector

2.2.1.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Chris Hani District Municipality from 2002 to 2012.

CHART 11. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - CHRIS HANI, 2002-2012 [ANNUAL PERCENTAGE CHANGE]

Gross value added (GVA) by primary sector Chris Hani, 2002-2012



Source: IHS Global Insight Regional eXplorer version 700

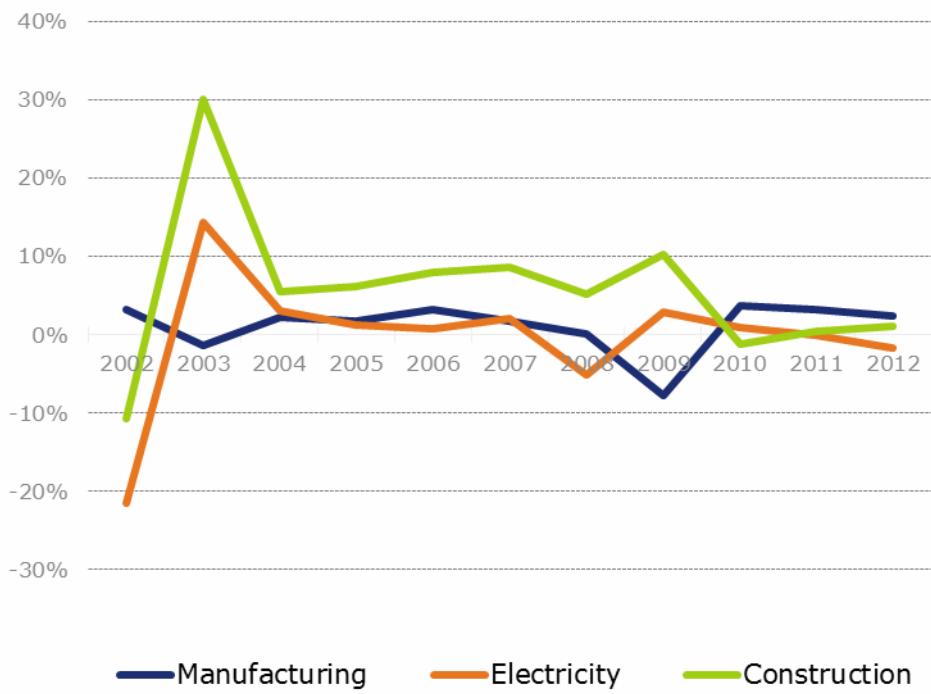
Between 2002 and 2012 the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 17.0%. The mining sector reached its highest point of growth of 22.2% in 2002. The agricultural sector experienced the lowest growth for the period during 2005 at -15.8% between 2002 and 2012, while the mining sector reaching its lowest point of growth in 2012 at -11.5%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

2.2.1.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Chris Hani District Municipality from 2002 to 2012.

CHART 12. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - CHRIS HANI, 2002-2012 [ANNUAL PERCENTAGE CHANGE]

Gross value added (GVA) by secondary sector Chris Hani, 2002-2012



Source: IHS Global Insight Regional eXplorer version 700

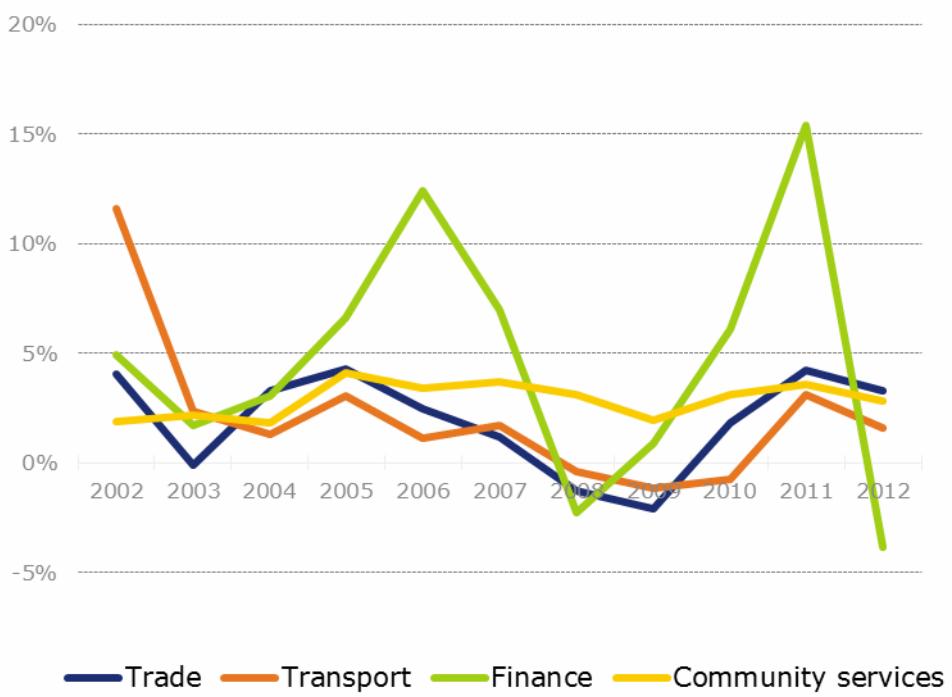
Between 2002 and 2012 the manufacturing sector experienced the highest positive growth in 2010 with an average growth rate of 3.7%. The construction sector reached its highest growth in 2003 of 30.0%. The manufacturing sector experienced the lowest growth in 2002 of -7.7%, while construction sector reached its lowest point of growth in 2002 with -10.7% growth rate. The electricity sector experienced the highest growth in 2003 at 14.3%, while it recorded the lowest growth of -21.5% in 2002.

2.2.1.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade sector, transport sector, finance sector and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Chris Hani District Municipality from 2002 to 2012.

CHART 13. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - CHRIS HANI, 2002-2012 [ANNUAL PERCENTAGE CHANGE]

Gross value added (GVA) by tertiary sector Chris Hani, 2002-2012



Source: IHS Global Insight Regional eXplorer version 700

The Trade sector experienced the highest positive growth in 2005 with an average growth rate of 4.3%. The Transport sector reached its highest point of growth in 2002 at 11.6%, while the Finance sector experienced the highest positive growth in 2011 when it recorded growth of 15.4%. The Finance sector recorded the lowest growth rate in 2012 with -3.8% growth rate, while the Trade sector had the lowest growth rate in 2009 at -2.1% which is a lower growth rate than that of the Finance sector. The Community Services Sector, which largely consists of government, experienced its highest positive growth in 2005 with 4.1% and the lowest growth rate in 2004 with 1.8%.

2.2.2 Sector Growth forecast

The GVA projections are based on projected growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2005) so the emphasis moves from historical growth rates to national-level industry growth rates.

TABLE 18. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012-2017 [R MILLIONS, CONSTANT 2005 PRICES]

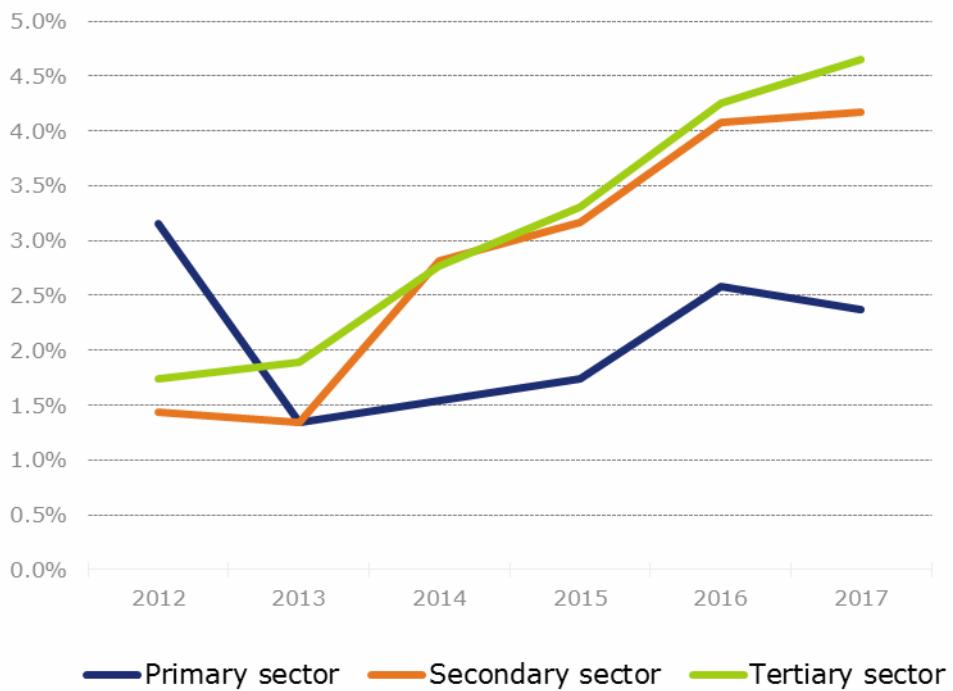
	2012	2013	2014	2015	2016	2017	Average Annual growth
Agriculture	354.5	359.1	364.5	370.7	380.2	389.1	1.88%
Mining	5.6	5.9	6.1	6.3	6.6	6.8	3.90%
Manufacturing	399.0	401.1	410.6	423.5	440.7	458.9	2.84%
Electricity	89.1	89.9	92.4	95.7	100.1	104.8	3.29%
Construction	238.5	245.3	254.0	261.8	272.0	283.0	3.48%
Trade	1,165.6	1,185.2	1,216.8	1,254.5	1,307.1	1,361.4	3.16%
Transport	448.0	454.3	470.1	488.7	512.1	537.7	3.72%
Finance	1,002.0	1,022.8	1,061.0	1,108.4	1,165.6	1,228.0	4.15%
Community services	3,894.8	3,971.2	4,069.0	4,190.7	4,356.7	4,556.0	3.19%
Total Industries	7,597.0	7,734.8	7,944.5	8,200.3	8,541.2	8,925.8	3.28%

Source: IHS Global Insight Regional eXplorer version 700

The Finance sector is expected to grow the most at an average of 4.2% annually from R 1 billion in 2012 to R 1.23 billion in 2017. The Community services sector is estimated to be the largest sector within the Chris Hani District Municipality in 2017 with a total share of 51.0% of the total GVA, growing at an average annual rate of 3.2%. The sector that is estimated to grow the least is the Agriculture sector with an average annual growth rate of 1.9% it is expected to only increase with R 34.7 million.

TABLE 19. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012-2017 [ANNUAL GROWTH RATE, CONSTANT 2005 PRICES]

Gross value added (GVA) by aggregate sector Chris Hani, 2012-2017



Source: IHS Global Insight Regional eXplorer version 700

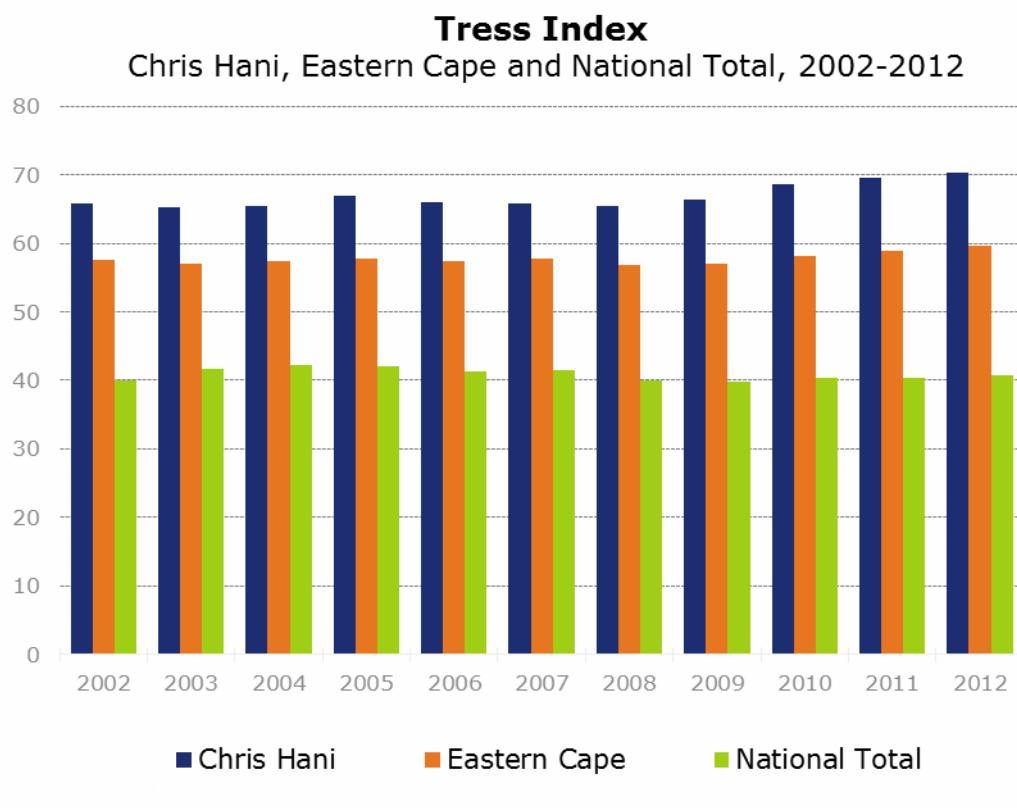
The Primary sector is expected to grow at an average annual rate of 1.92% between 2012 and 2017, with the Secondary sector growing at 3.11% on average annually. The Tertiary sector is expected to grow at an average annual rate of 3.37% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

2.3 Tress Index

Definition: The Tress index is estimated by ranking the nine sectors according to their contribution to Gross Value Added (GVA) and then adding the values cumulatively and indexing them. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 14. TRESS INDEX - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 700

In 2012, Chris Hani's Tress Index was estimated at 70.2 which are higher than the 59.6 of the province and higher than the 59.6 of the national as a whole. This implies that - on average - Chris Hani District Municipality is less diversified in terms of its economic activity spread than the national's economy as a whole.

The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are particularly profitable, as well as those that typically employ large numbers of unskilled labourers. Unfortunately, in many cases (but not always), industries that are particularly profitable (and boost economic growth) are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

2.4 Location Quotient

Definition: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage by taking into account production and employment.

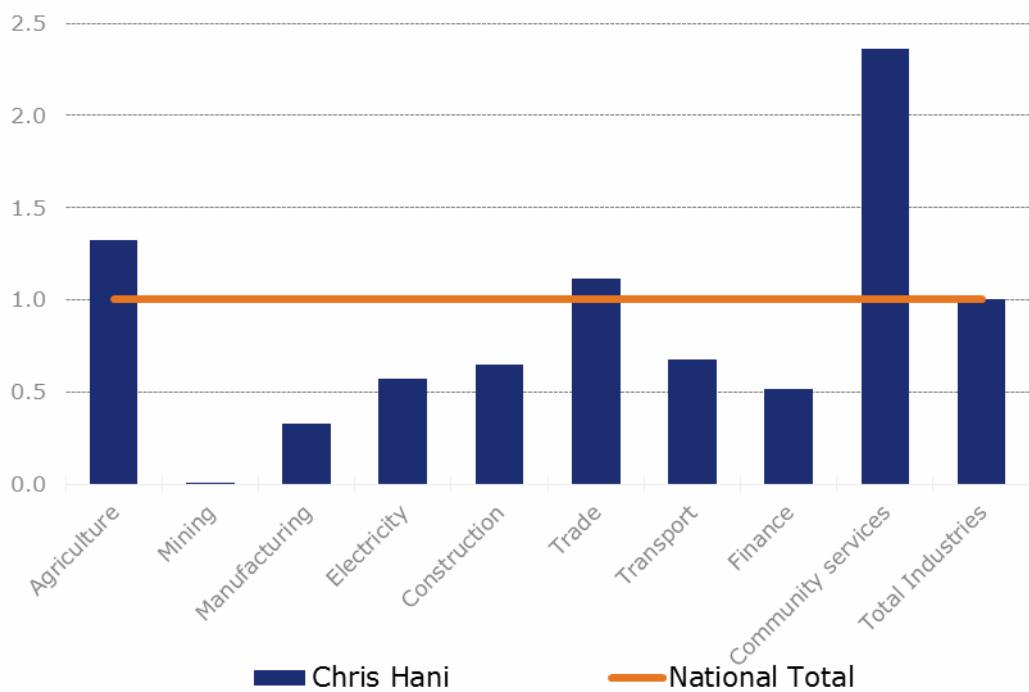
If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy.

The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 15. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - CHRIS HANI DISTRICT MUNICIPALITY AND SOUTH AFRICA, 2012 [NUMBER]

Location Quotient by broad economic sectors

Chris Hani vs. national, 2012



Source: IHS Global Insight Regional eXplorer version 700

For 2012 Chris Hani District Municipality has a very large comparative advantage in the Community services sector. The Agriculture sector has a comparative advantage. The Trade also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent.

The Chris Hani District Municipality has a comparative disadvantage when it comes to the Mining sector which has a very large comparative disadvantage. The Manufacturing sector has a large comparative disadvantage compared to the economy of South Africa as a whole. The Finance also have a comparative disadvantage compared the economy of South Africa as a whole.

3. Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 20. WORKING AGE POPULATION IN CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002 AND 2012 [NUMBER]

	Chris Hani		Eastern Cape		National Total	
	2002	2012	2002	2012	2002	2012
15-19	107,114	83,594	778,163	689,078	4,943,770	4,690,954
20-24	68,248	71,153	621,730	653,117	4,814,619	4,895,192
25-29	45,096	55,197	434,304	521,133	4,106,087	4,862,006
30-34	38,089	41,779	366,553	405,456	3,431,217	4,330,442
35-39	38,484	33,053	356,268	305,665	3,038,616	3,344,955
40-44	42,457	34,353	362,286	307,719	2,647,480	2,945,651
45-49	38,274	37,140	316,993	313,104	2,203,019	2,689,246
50-54	33,907	41,670	265,575	324,368	1,766,890	2,396,326
55-59	30,434	38,412	232,774	284,779	1,420,471	2,000,850
60-64	26,534	32,725	183,862	232,651	1,094,640	1,567,177
Total	468,637	469,077	3,918,509	4,037,069	29,466,811	33,722,799

Source: IHS Global Insight Regional eXplorer version 700

The working age population in Chris Hani in 2012 was 469 000. This is an average annual increase of 0.01% since 2002. For the same period the working age population for Eastern Cape Province increased at 0.30% annually, while that of South Africa increased at 1.36% annually.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

3.1 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed.

Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

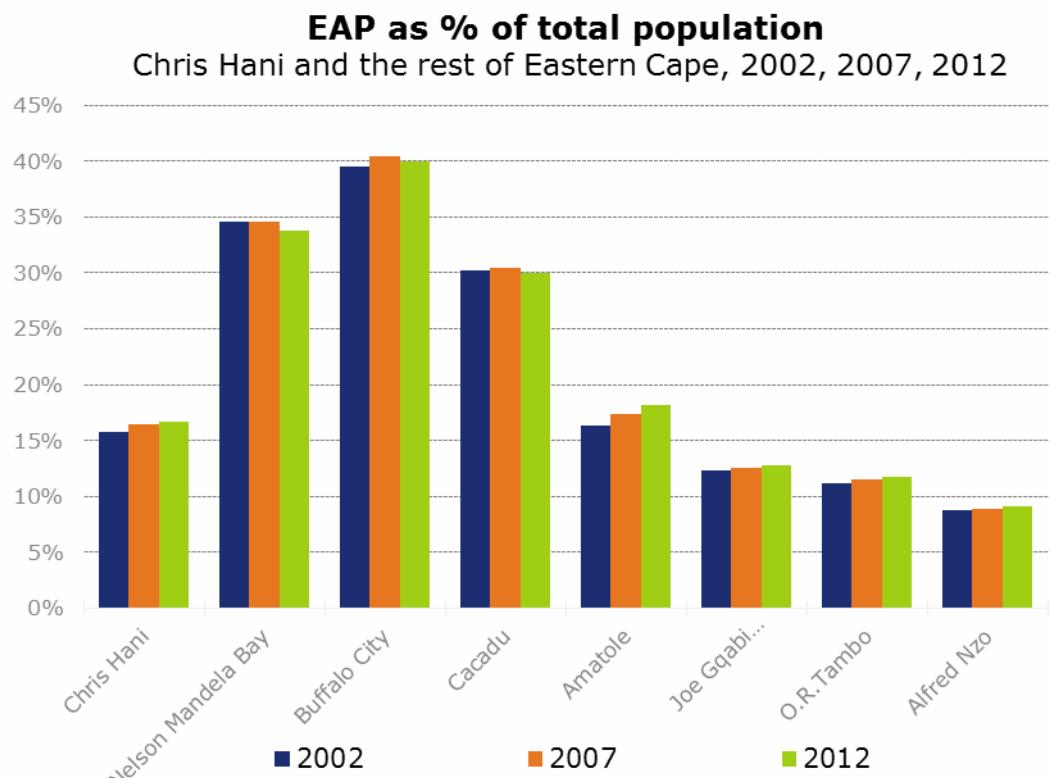
TABLE 21. ECONOMICALLY ACTIVE POPULATION (EAP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [NUMBER, PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2002	128,349	1,339,422	14,735,560	9.6%	0.9%
2003	130,068	1,358,915	15,047,794	9.6%	0.9%
2004	125,820	1,319,601	14,818,109	9.5%	0.8%
2005	130,124	1,370,003	15,551,579	9.5%	0.8%
2006	130,333	1,377,188	15,943,103	9.5%	0.8%
2007	130,406	1,379,435	16,271,042	9.5%	0.8%
2008	132,571	1,407,881	16,892,997	9.4%	0.8%
2009	130,476	1,384,315	16,683,758	9.4%	0.8%
2010	130,479	1,382,993	16,725,565	9.4%	0.8%
2011	131,315	1,390,446	16,995,985	9.4%	0.8%
2012	134,616	1,422,292	17,444,431	9.5%	0.8%
Average Annual growth					
2002-2012	0.48%	0.60%	1.70%		

Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality's EAP was 135 000 in 2012, which is 16.73% of its total population of 805 000, and roughly 9.46% of the total EAP of the Eastern Cape Province. From 2002 to 2012, the average annual increase in the EAP in the district municipality was 0.48%, which is 0.124 percentage points lower than the growth in the EAP of Eastern Cape's for the same period.

CHART 16. EAP AS % OF TOTAL POPULATION - CHRIS HANI AND THE REST OF EASTERN CAPE, 2002, 2007, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

In 2012 15.8% of the total population in Chris Hani District Municipality were classified as economically active. This increased to 16.7% in 2012. Compared to the other regions in Eastern Cape, Buffalo City had the highest EAP as a percentage of the total population within its own region relative to the other regions.

3.1.1 Labour Force participation rate

Definition: The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Chris Hani, Eastern Cape and National Total as a whole.

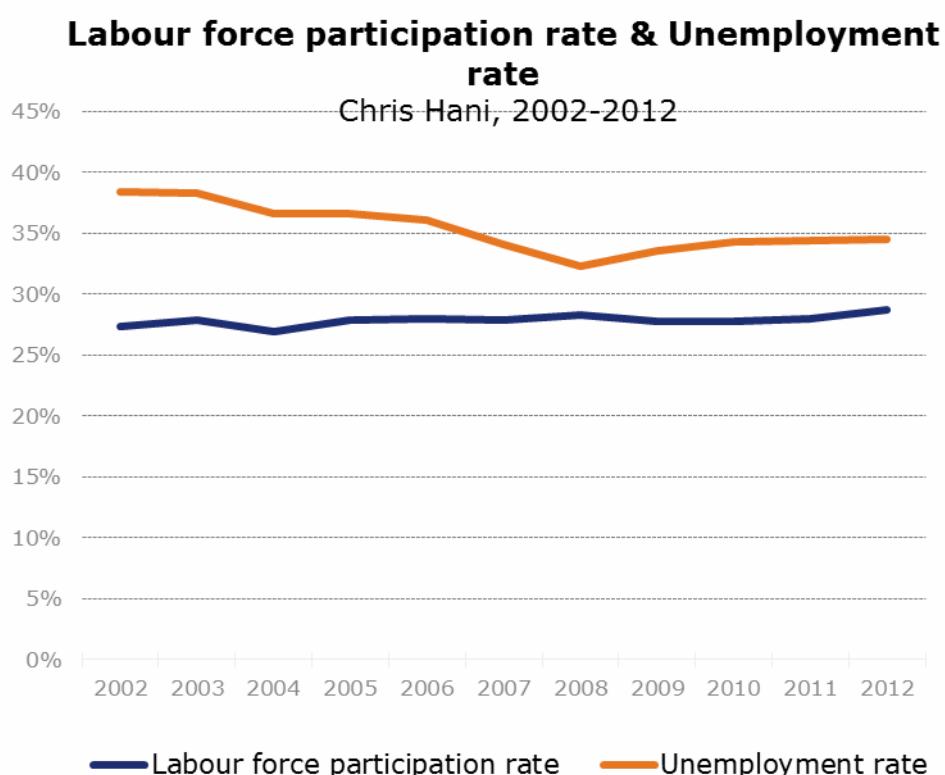
TABLE 22. THE LABOUR FORCE PARTICIPATION RATE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [PERCENTAGE]

	Chris Hani	Eastern Cape	National Total
2002	27.4%	34.2%	50.0%
2003	27.8%	34.6%	50.2%
2004	27.0%	33.5%	48.7%
2005	27.9%	34.7%	50.4%
2006	27.9%	34.8%	50.9%
2007	27.9%	34.7%	51.2%
2008	28.3%	35.3%	52.5%
2009	27.8%	34.6%	51.2%
2010	27.7%	34.4%	50.7%
2011	27.9%	34.5%	50.9%
2012	28.7%	35.2%	51.7%

Source: IHS Global Insight Regional eXplorer version 700

From 2002 to 2012, Chris Hani's labour force participation rate increased from 27.39% to 28.70% which is an increase of 1.31 percentage points. The Eastern Cape Province increased from 34.18% to 35.23%, South Africa increased from 50.01% to 51.73%.

CHART 17. THE LABOUR FORCE PARTICIPATION RATE - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [PERCENTAGE]

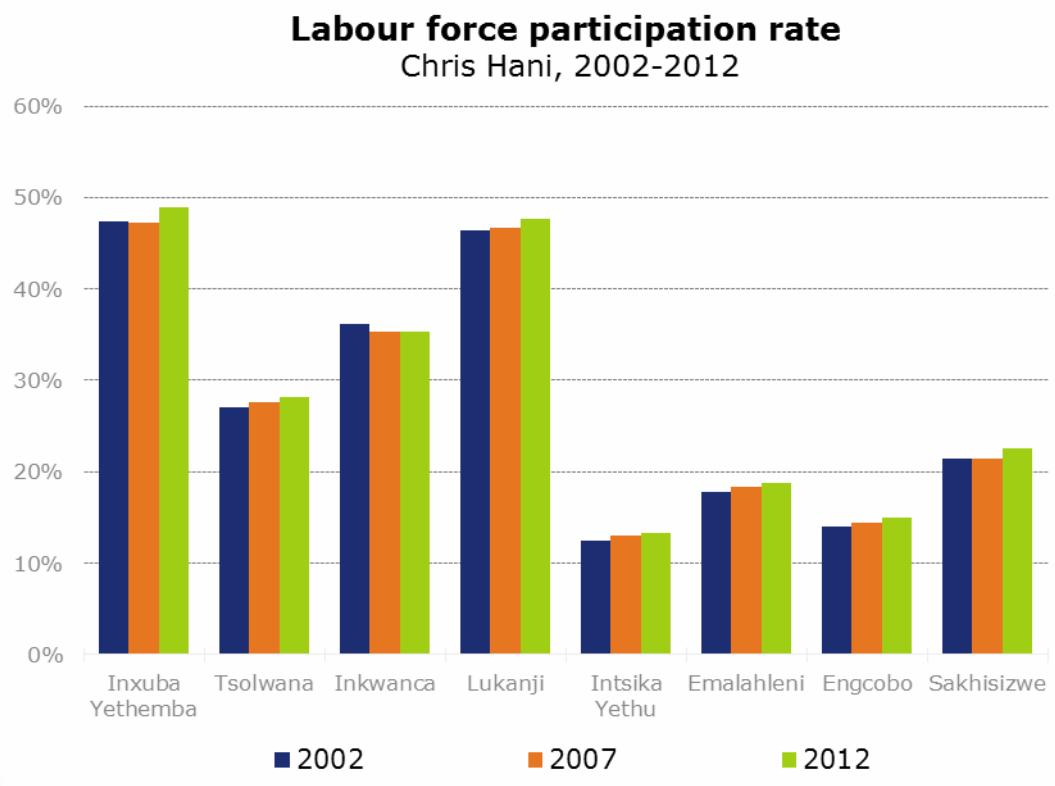


Source: IHS Global Insight Regional eXplorer version 700



In 2012 the labour force participation rate for Chris Hani was at 28.7% which is slightly higher from 27.4% in 2002. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. The unemployment rate for Chris Hani was 34.5% in 2012 and increased overtime from 2002 (38.4%). The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Chris Hani District Municipality.

CHART 18. THE LABOUR FORCE PARTICIPATION RATE – LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2002, 2007 AND 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The labour force participation differs quite a lot amongst the various local municipalities in the Chris Hani district. Intsika Yethu has the lowest participation, at between 10% and 15%, with the bigger economies of Lukanji and Inxuba Yethemba with participation rates of more than 45%.

3.2 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 23. TOTAL EMPLOYMENT - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [NUMBERS]

	Chris Hani	Eastern Cape	National Total
2002	74,968	819,954	10,366,434
2003	76,254	836,277	10,642,098
2004	75,160	834,780	10,843,582
2005	77,840	871,332	11,464,276
2006	78,422	885,164	11,898,953
2007	80,815	913,534	12,345,860
2008	84,774	959,410	13,047,738
2009	81,869	926,343	12,712,451
2010	80,983	913,591	12,589,683
2011	81,230	913,434	12,792,104
2012	83,395	930,561	13,088,201
Average Annual growth			
2002-2012	1.07%	1.27%	2.36%

Source: IHS Global Insight Regional eXplorer version 700

In 2012, Chris Hani employed 83 400 people which is 8.96% of the total employment in Eastern Cape (931 000), 0.64% of total employment in South Africa (13.1 million) Employment within Chris Hani increased annually at an average rate of 1.07% from 2002 to 2012.

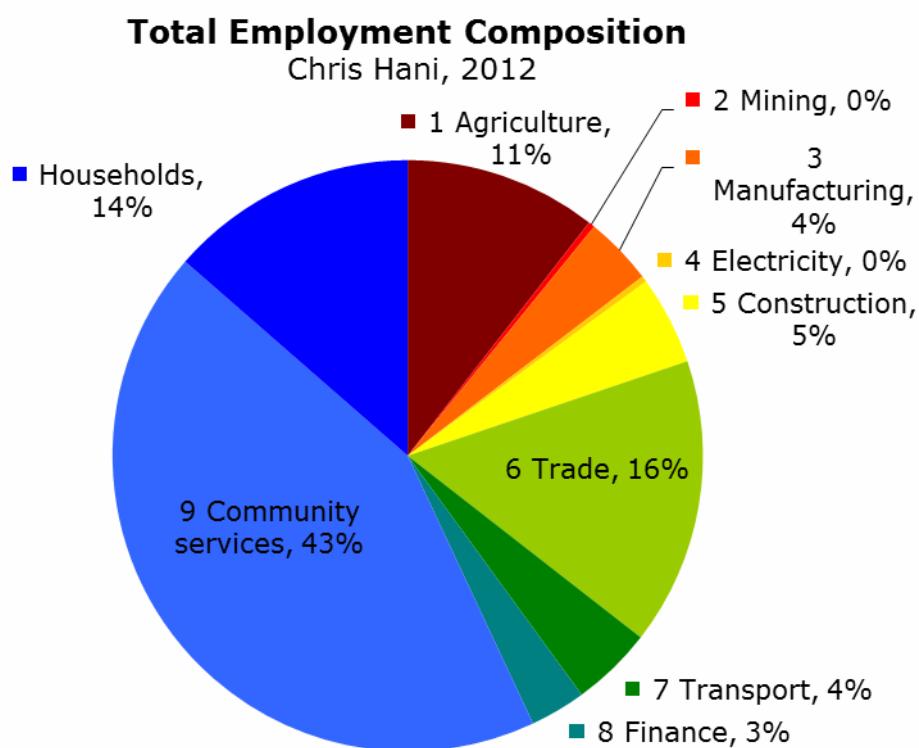
TABLE 24. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - CHRIS HANI AND THE REST OF EASTERN CAPE, 2012 [NUMBERS]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amatole	Joe Gqabi (Ukahlamba)	O.R.Tambolo	Alfred Nzo	Total Eastern Cape
Agriculture	8,781	3,940	4,615	26,828	6,829	5,794	3,103	1,737	61,627
Mining	292	584	265	127	113	29	62	83	1,553
Manufacturing	3,125	51,389	36,179	6,851	8,361	935	4,673	727	112,240
Electricity	276	1,127	675	304	186	84	202	30	2,883
Construction	4,053	13,396	10,192	8,916	3,676	1,168	4,458	1,522	47,382
Trade	13,103	55,719	46,783	22,334	16,277	3,323	13,737	7,036	178,312
Transport	3,709	16,873	11,146	4,288	3,845	1,164	4,837	1,917	47,779
Finance	2,542	25,949	14,392	4,499	3,334	693	4,384	792	56,584
Community services	36,182	77,963	69,579	25,207	45,315	12,416	44,625	16,102	327,390
Households	11,334	27,062	15,289	10,581	8,205	5,366	12,170	4,804	94,810
Total	83,395	274,002	209,115	109,934	96,141	30,972	92,252	34,751	930,561

Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality employs a total number of 83 400 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape is Nelson Mandela Bay with a total number of 274 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape is Joe Gqabi (Ukhahlamba) with a total number of 31 000 employed within the district municipality.

CHART 19. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

In Chris Hani District Municipality the economic sectors that recorded the largest number of employment in 2012 were the Community services sector with a total of 36 600 or 43.4% of the total employment. The Trade sector with a total of 13 200 (15.7%) employs the second highest relative to the rest of the sectors. The Electricity sector with 280 (0.3%) is the sector that employs the least number of people in Chris Hani, followed by the Mining sector with 292 (0.3%) people employed.

3.3 Formal and Informal employment

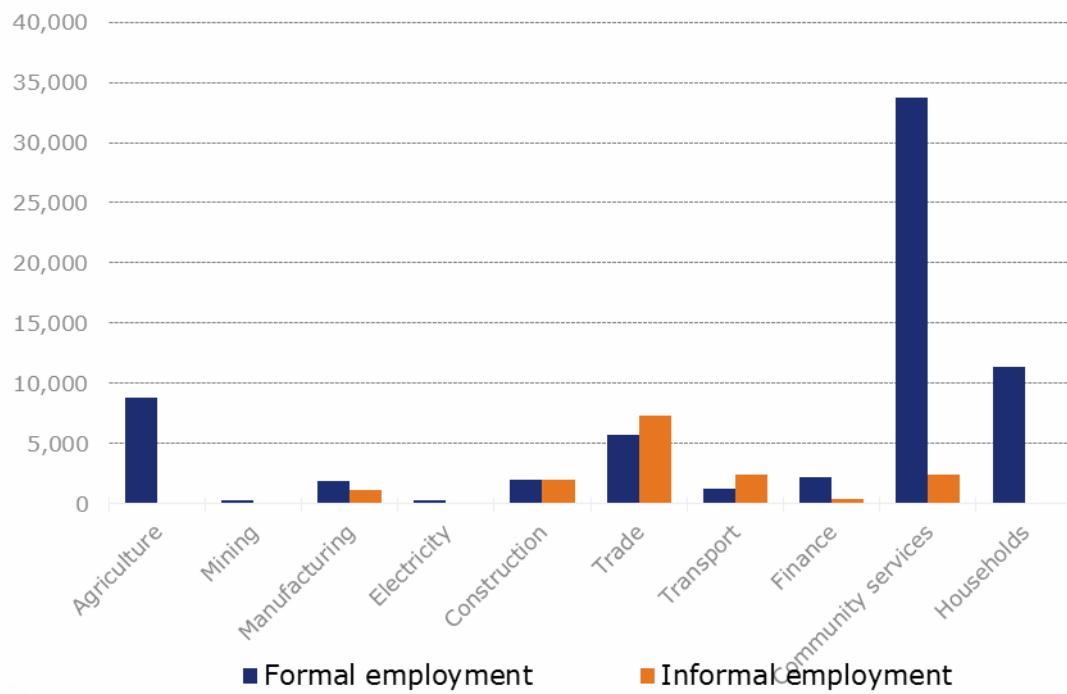
Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Chris Hani counted 67 600 in 2012, which is about 81.07% of total employment, while the number of people employed in the informal sector counted 15 800 or 18.93% of the total employment. Informal employment in Chris Hani was estimated at 15 800 in 2012 and increase from 14 000 in 2002.

CHART 20. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [NUMBERS]

Formal and informal employment by sector Chris Hani, 2012



Source: IHS Global Insight Regional eXplorer version 700



Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2012 the Trade sector recorded the highest number of informally employed, with a total of 7 330 jobs or 46.41% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Finance sector has the lowest informal employment with 382 and only contributes 2.42% to total informal employment.

TABLE 25. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [NUMBERS]

	Formal employment	Informal employment
Agriculture	8,781	N/A
Mining	292	N/A
Manufacturing	1,936	1,189
Electricity	276	N/A
Construction	2,034	2,019
Trade	5,774	7,328
Transport	1,275	2,434
Finance	2,160	382
Community services	33,743	2,438
Households	11,334	N/A

Source: IHS Global Insight Regional eXplorer version 700

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

3.4 Unemployment

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 26. UNEMPLOYMENT (OFFICIAL DEFINITION) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [NUMBER & PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2002	49,285	516,320	4,369,125	9.5%	1.1%
2003	49,763	521,480	4,405,696	9.5%	1.1%
2004	46,087	479,460	3,974,527	9.6%	1.2%
2005	47,625	493,669	4,087,303	9.6%	1.2%
2006	46,959	484,974	4,044,149	9.7%	1.2%
2007	44,467	458,514	3,925,183	9.7%	1.1%
2008	42,766	442,349	3,845,259	9.7%	1.1%
2009	43,736	452,645	3,971,308	9.7%	1.1%
2010	44,781	464,642	4,135,882	9.6%	1.1%
2011	45,175	469,899	4,203,880	9.6%	1.1%
2012	46,406	485,643	4,356,230	9.6%	1.1%
Average Annual growth					
2002-2012	-0.60%	-0.61%	-0.03%		

Source: IHS Global Insight Regional eXplorer version 700

In 2012, there were a total number of 46 400 people unemployed in Chris Hani, which is a decrease of from 49 300 in 2002. The total number of unemployed people within Chris Hani constitutes 9.56% of the total number of unemployed people in Eastern Cape Province. The Chris Hani District Municipality had an average annual decrease of -0.60% which is higher than that of the Eastern Cape Province which had an average annual growth rate of -0.61%.

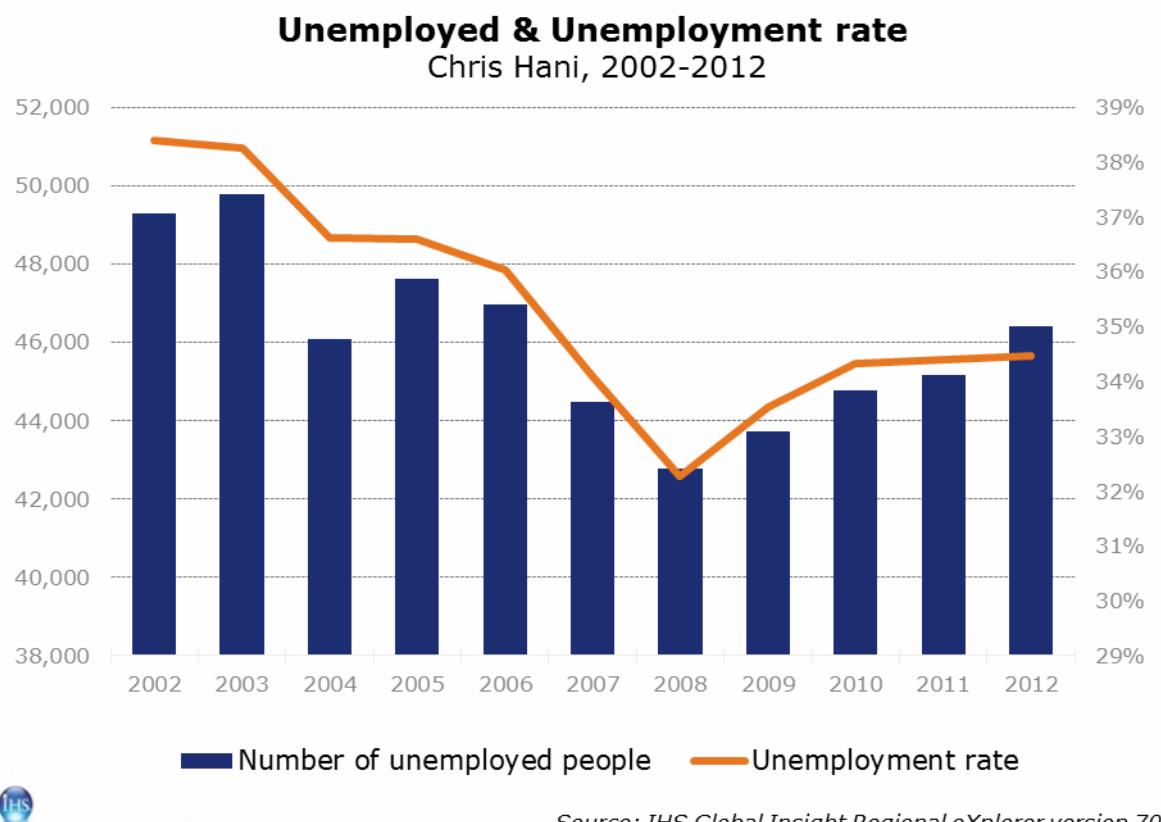
TABLE 27. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [PERCENTAGE]

	Chris Hani	Eastern Cape	National Total
2002	38.4%	38.5%	29.7%
2003	38.3%	38.4%	29.3%
2004	36.6%	36.3%	26.8%
2005	36.6%	36.0%	26.3%
2006	36.0%	35.2%	25.4%
2007	34.1%	33.2%	24.1%
2008	32.3%	31.4%	22.8%
2009	33.5%	32.7%	23.8%
2010	34.3%	33.6%	24.7%
2011	34.4%	33.8%	24.7%
2012	34.5%	34.1%	25.0%

Source: IHS Global Insight Regional eXplorer version 700

In 2012, the unemployment rate in Chris Hani District Municipality (based on the official definition of unemployment) was 34.47%, which is a decrease of percentage points. The unemployment rate in Chris Hani District Municipality is higher than that of Eastern Cape, the growth in the unemployment rate in Chris Hani District Municipality is higher.

CHART 21. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER & PERCENTAGE]



4. Income and Expenditure

In a growing economy where employment and remuneration is increasing, there is also the multiplier effect where the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is an important variable to monitor. It is also a good marker of growth as well as consumer tendencies.

4.1 Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2 400 per annum and go up to R2 400 000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

TABLE 28. HOUSEHOLDS BY INCOME CATEGORY - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [NUMBER & PERCENTAGE]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
0-2400	34	198	1,726	17.1%	2.0%
2400-6000	556	3,465	25,225	16.0%	2.2%
6000-12000	13,562	89,029	732,802	15.2%	1.9%
12000-18000	19,137	126,722	1,019,598	15.1%	1.9%
18000-30000	33,397	226,268	1,737,703	14.8%	1.9%
30000-42000	35,371	247,027	1,980,810	14.3%	1.8%
42000-54000	26,718	197,498	1,527,752	13.5%	1.7%
54000-72000	23,651	183,338	1,436,301	12.9%	1.6%
72000-96000	17,651	147,483	1,202,208	12.0%	1.5%
96000-132000	14,139	130,495	1,137,789	10.8%	1.2%
132000-192000	10,545	110,467	1,076,370	9.5%	1.0%
192000-360000	11,351	129,509	1,430,552	8.8%	0.8%
360000-600000	5,077	65,933	781,530	7.7%	0.6%
600000-1200000	2,553	38,998	537,823	6.5%	0.5%
1200000-2400000	423	7,505	111,284	5.6%	0.4%
2400000+	57	755	8,770	7.6%	0.7%
Total	214,221	1,704,690	14,748,242	12.6%	1.5%

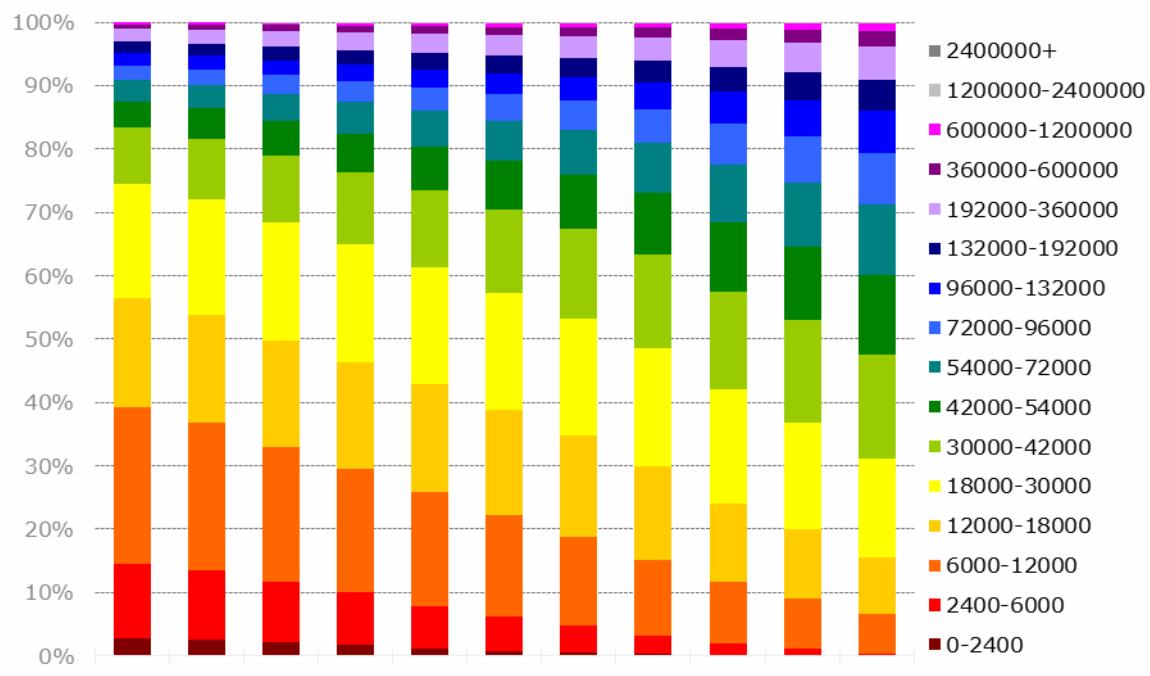
Source: IHS Global Insight Regional eXplorer version 700

It was estimated that in 2012 31.13% of all the households in the Chris Hani District Municipality, were living on R30 000 or less per annum. In comparison with 2002's 74.56%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 35 400, followed by the 18000-30000 income category with 33 400 households.

CHART 22. HOUSEHOLDS BY INCOME BRACKET - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012
[PERCENTAGE]

Number of households by income category

Chris Hani, 2002-2012



Source: IHS Global Insight Regional eXplorer version 700

For the period 2002 to 2012 the number of households earning more than R30 000 per annum has increased from 68.87% to 25.44%. It can be seen that the number of households with income equal to or lower than 6000 per year has decreased by a significant amount.

4.2 Annual total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

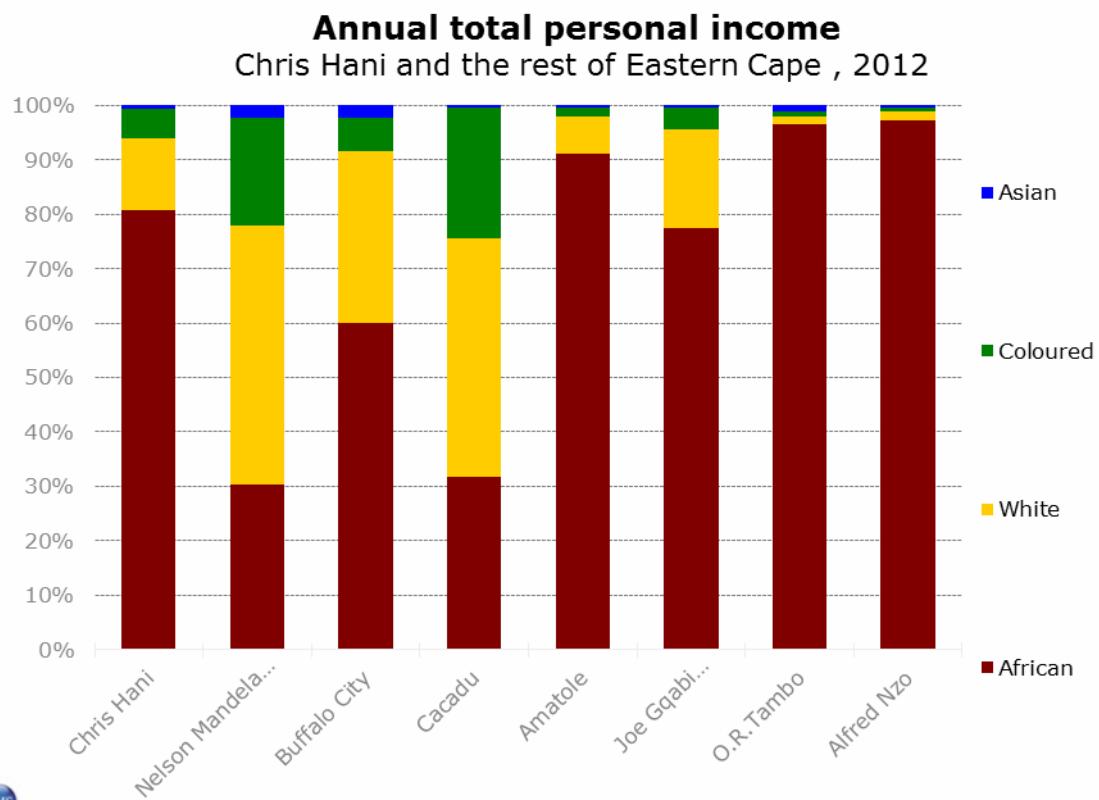
TABLE 29. ANNUAL TOTAL PERSONAL INCOME - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL[CURRENT PRICES, R BILLIONS]

	Chris Hani	Eastern Cape	National Total
2002	6.9	75.2	825.7
2003	7.6	82.9	894.5
2004	8.6	93.1	1,003.7
2005	9.5	102.6	1,116.4
2006	10.4	113.0	1,248.2
2007	11.4	125.5	1,402.9
2008	12.5	139.5	1,557.3
2009	13.7	150.1	1,659.3
2010	15.6	166.3	1,810.8
2011	17.1	181.6	1,991.8
2012	18.9	202.0	2,190.1
Average Annual growth			
2002-2012	10.58%	10.38%	10.25%

Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality recorded an average annual growth rate of 10.58% (from R 6.91 billion to R 18.9 billion) from 2002 to 2012, which is more than both Eastern Cape's (10.38%) as well as South Africa's (10.25%) average annual growth rate.

TABLE 30. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - CHRIS HANI AND THE REST OF EASTERN CAPE [CURRENT PRICES, R BILLIONS]



Source: IHS Global Insight Regional eXplorer version 700

The total personal income of Chris Hani District Municipality amounted to approximately R 18.9 billion in 2012. The African population group earned R 15.3 billion, or 80.73% of total personal income, while the White population group earned R 2.48 billion, or 13.13% of the total personal income. The Coloured and the Asian population groups only had a share of 5.45% and 0.69% of total personal income respectively.

TABLE 31. ANNUAL TOTAL PERSONAL INCOME – LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY[CURRENT PRICES, R BILLIONS]

	Inxuba Yethemba	Tsolwana	Inkwanca	Lukanji	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe
2002	0.85	0.33	0.20	2.13	1.04	0.87	1.06	0.44
2003	0.94	0.36	0.22	2.36	1.15	0.95	1.16	0.48
2004	1.03	0.40	0.24	2.64	1.31	1.08	1.33	0.54
2005	1.13	0.43	0.26	2.92	1.45	1.20	1.50	0.60
2006	1.25	0.47	0.29	3.17	1.58	1.32	1.65	0.66
2007	1.41	0.53	0.32	3.48	1.73	1.45	1.80	0.73
2008	1.58	0.58	0.35	3.82	1.88	1.58	1.96	0.80
2009	1.78	0.64	0.37	4.10	2.07	1.74	2.13	0.88
2010	1.94	0.73	0.41	4.58	2.39	2.03	2.47	1.03
2011	2.11	0.80	0.45	5.03	2.61	2.23	2.71	1.13
2012	2.35	0.88	0.50	5.58	2.88	2.46	2.98	1.25

Average Annual growth

	Inxuba Yethemba	Tsolwana	Inkwanca	Lukanji	Intsika	Emalahleni	Engcobo	Sakhisizwe Yethu
2002-2012	10.72%	10.29%	9.61%	10.13%	10.69%	11.01%	10.90%	11.16%

Source: IHS Global Insight Regional eXplorer version 700

Using the average annual growth rate of Total Personal Income, the local municipality that increased the most was the Sakhisizwe Local Municipality with a growth rate of 11.16%. The local municipality with the lowest average annual increase was the Inkwanca Local Municipality with 9.61%. In Rand values the local municipality with the highest total personal income is the Lukanji Local Municipality with a total of R 5.5 billion. Remember that this rand values is in current prices and therefore it does not take inflation into account.

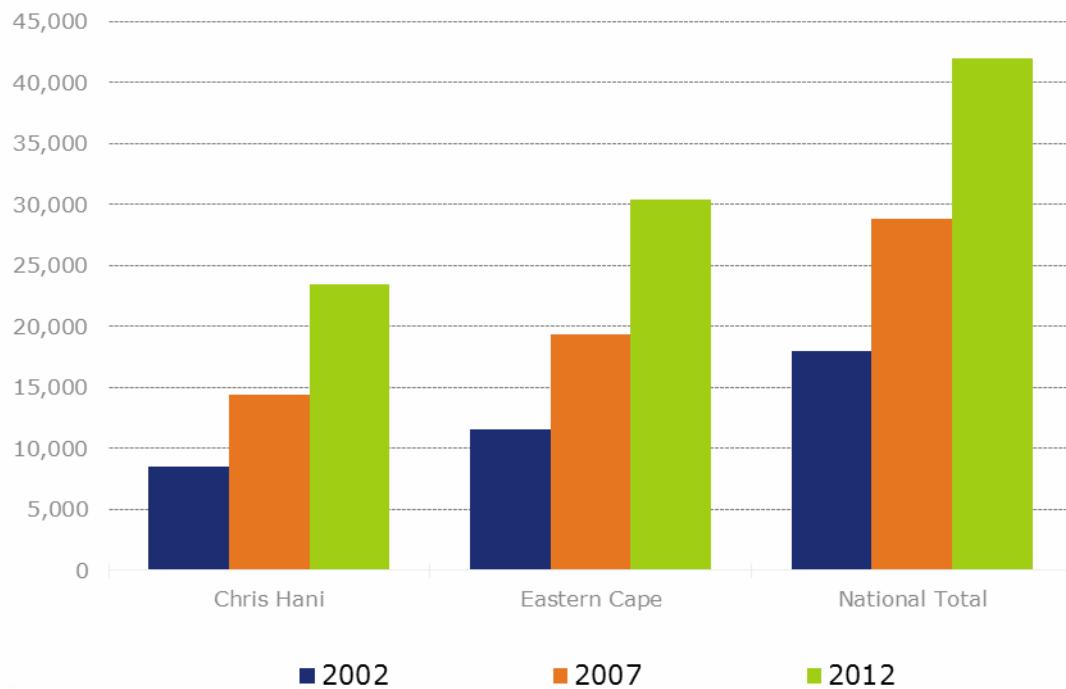
4.3 Annual per Capita Income

Definition: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

CHART 23. PER CAPITA INCOME - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [RAND, CURRENT PRICES]

Annual per capita income (Rand, current prices)
Chris Hani, Eastern Cape and National Total, 2002, 2007, 2012



Source: IHS Global Insight Regional eXplorer version 700

The per capita income in Chris Hani District Municipality was R 23,500 in 2012, and this is lower than both the National Total (R 41,900) and of the Eastern Cape Province (R 30,400) per capita income.

CHART 24. PER CAPITA INCOME BY POPULATION GROUP - CHRIS HANI AND THE REST OF EASTERN CAPE PROVINCE, 2012 [RAND, CURRENT PRICES]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amatole	Joe Gqabi (Ukhahlamb a)	O.R.Tamb o	Alfred Nzo
African	R 20,245	R 25,576	R 34,545	R 22,404	R 22,997	R 17,382	R 17,664	R 14,736
White	R 152,155	R 172,053	R 202,892	R 152,835	R 165,337	R 161,192	R 130,390	R 95,277
Coloured	R 31,268	R 43,343	R 51,494	R 26,566	R 28,325	R 25,148	R 41,180	R 31,370
Asian	R 77,248	R 115,933	R 143,479	R 47,445	R 76,171	N/A	R 103,986	R 42,670
Total	R 23,489	R 51,646	R 49,343	R 38,215	R 24,577	R 21,087	R 18,163	R 15,038

Source: IHS Global Insight Regional eXplorer version 700

Nelson Mandela Bay has the highest per capita income with a total of R 51,600. Buffalo City had the second highest per capita income at R 49,300, whereas Alfred Nzo had the lowest per capita income at R 15,000. In Chris Hani District Municipality, the White population group has the highest per capita income, with R 152,000, relative to the other population groups. The population group with the second highest per capita income within Chris Hani District Municipality is the Asian population group (R 77,200), where the Coloured and the African population groups had a per capita income of R 31,300 and R 20,200 respectively.

4.4 Index of Buying Power

Definition: The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

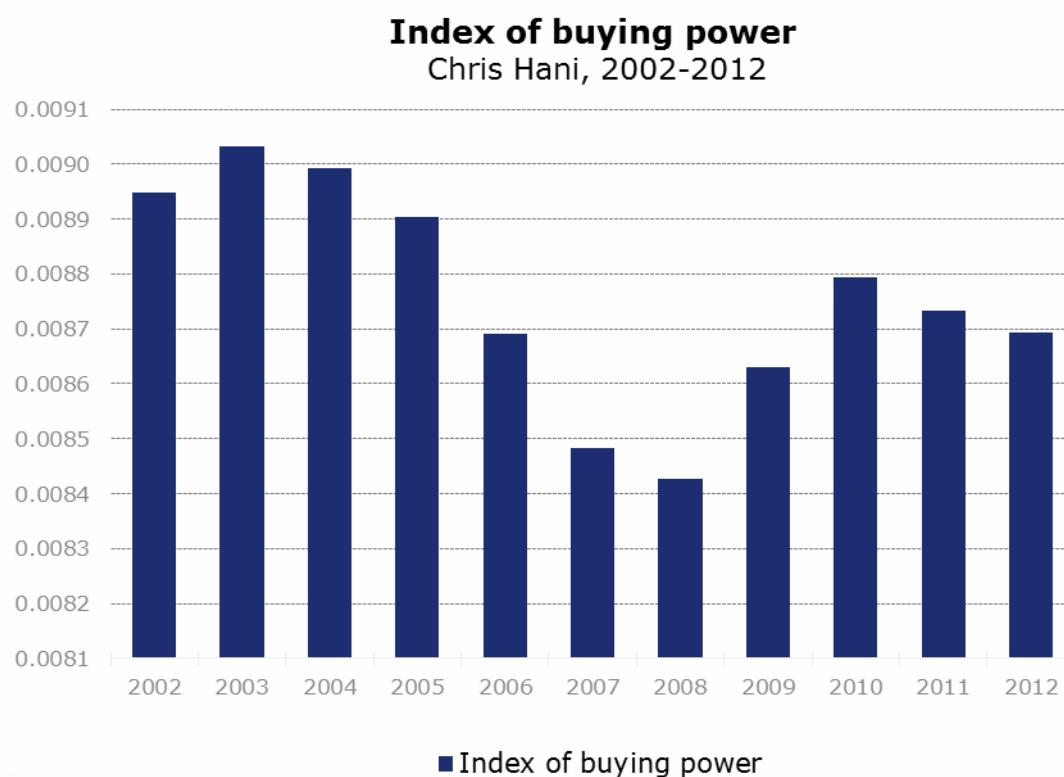
TABLE 32. INDEX OF BUYING POWER - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012
[NUMBER]

	Chris Hani	Eastern Cape	National Total
Population	804,573	6,645,998	52,248,192
Population - share of national total	1.5%	12.7%	100.0%
Income	18,899	201,975	2,190,058
Income - share of national total	0.9%	9.2%	100.0%
Retail	4,309,901	52,501,686	654,127,000
Retail - share of national total	0.7%	8.0%	100.0%
Index	0.01	0.09	1.00

Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality has a 1.5% share of the national population, 0.9% share of the total national income and a 0.7% share in the total national retail, this all equates to an IBP index value of 0.0087 relative to South Africa as a whole. Eastern Cape has an IBP of 0.092. The considerable low index of buying power of the Chris Hani District Municipality suggests that the district municipality has access to only a small percentage of the goods and services available in all of the Eastern Cape Province.

CHART 25. INDEX OF BUYING POWER CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [INDEX VALUE]



Source: IHS Global Insight Regional eXplorer version 700

Between 2002 and 2012 the index of buying power within Chris Hani District Municipality was at its highest in 2003 (0.009032) and at its lowest in 2008 (0.008427). The buying power within Chris Hani District Municipality is little compared to other regions and it decreased at an average annual growth rate of -0.29%.

5. Development

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

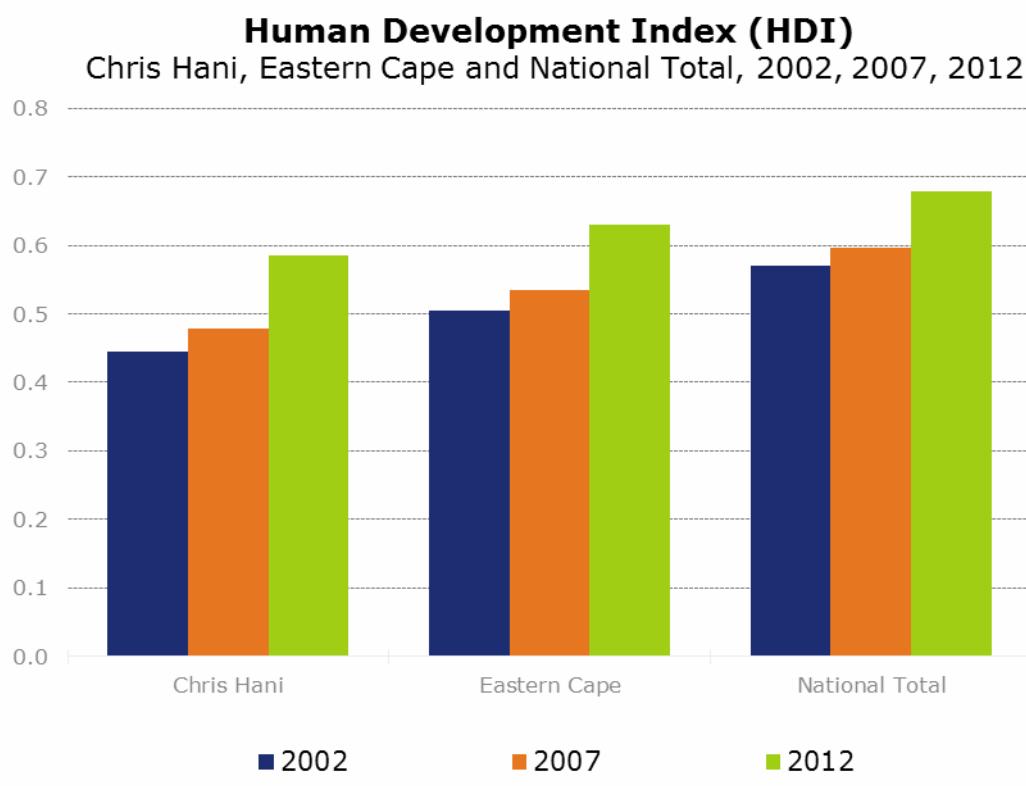
Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

5.1 Human Development Index (HDI)

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

CHART 26. HUMAN DEVELOPMENT INDEX (HDI) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002, 2007, 2012 [NUMBER]

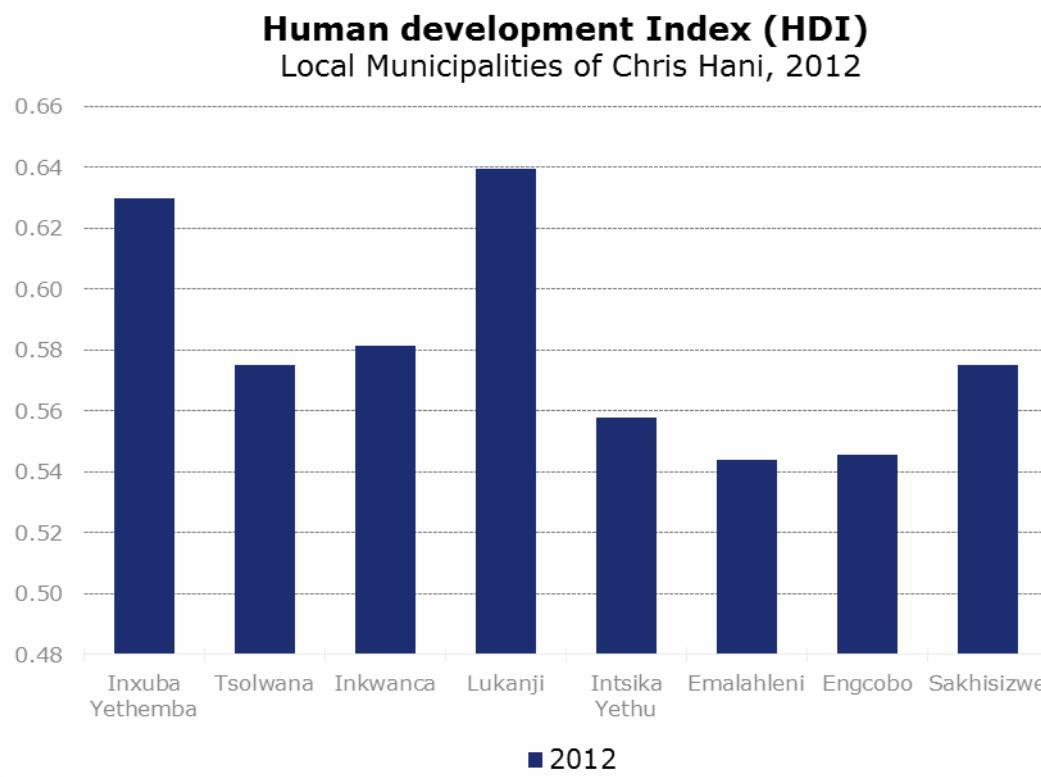


Source: IHS Global Insight Regional eXplorer version 700



In 2012 Chris Hani District Municipality had an HDI of 0.585 compared to the 0.63 of Eastern Cape and 0.679 of National Total as a whole. In 2012, the HDI in South Africa was higher than that of Chris Hani District Municipality with an index value of 0.679; this means that the human development in Chris Hani District Municipality is worse relative to the South Africa. This means that the human development in South Africa is better relative to Chris Hani District Municipality.

CHART 27. HUMAN DEVELOPMENT INDEX (HDI) - LOCAL MUNICIPALITIES OF CHRIS HANI, 2012 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 700

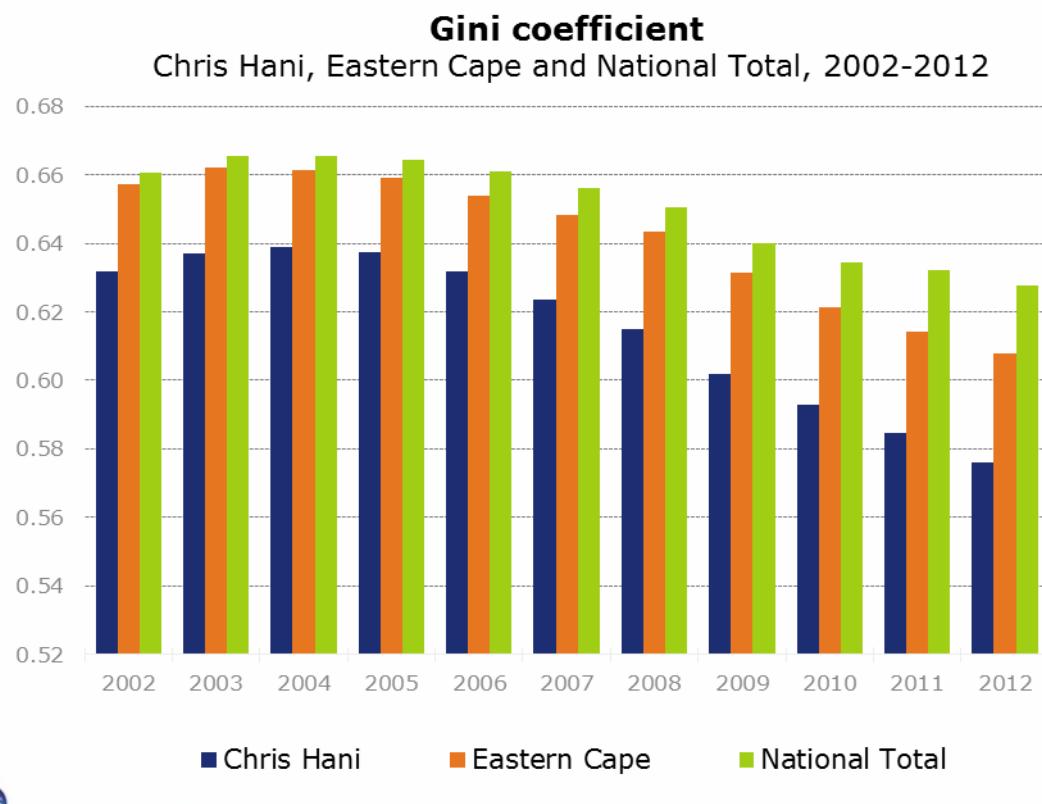
In terms of the HDI for each of the local municipalities, Lukanji Local Municipality has the highest HDI, with Inxeba Yethemba Local Municipality also with a high HDI. The lowest HDI is being observed in Emalahleni Local Municipality.

5.2 Gini Coefficient

Definition: The Gini coefficient is a summary statistic of income inequality. It varies from range 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is not a lot of variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

CHART 28. GINI COEFFICIENT - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 700

In 2012, income inequality in the Chris Hani District Municipality was at 0.58. Comparing that to the past decade's numbers, it has decreased since 2002. The Eastern Cape Province and the South Africa, both had a better spread of income amongst their residents (at 0.61 and 0.63 respectively) than that of Chris Hani District Municipality.

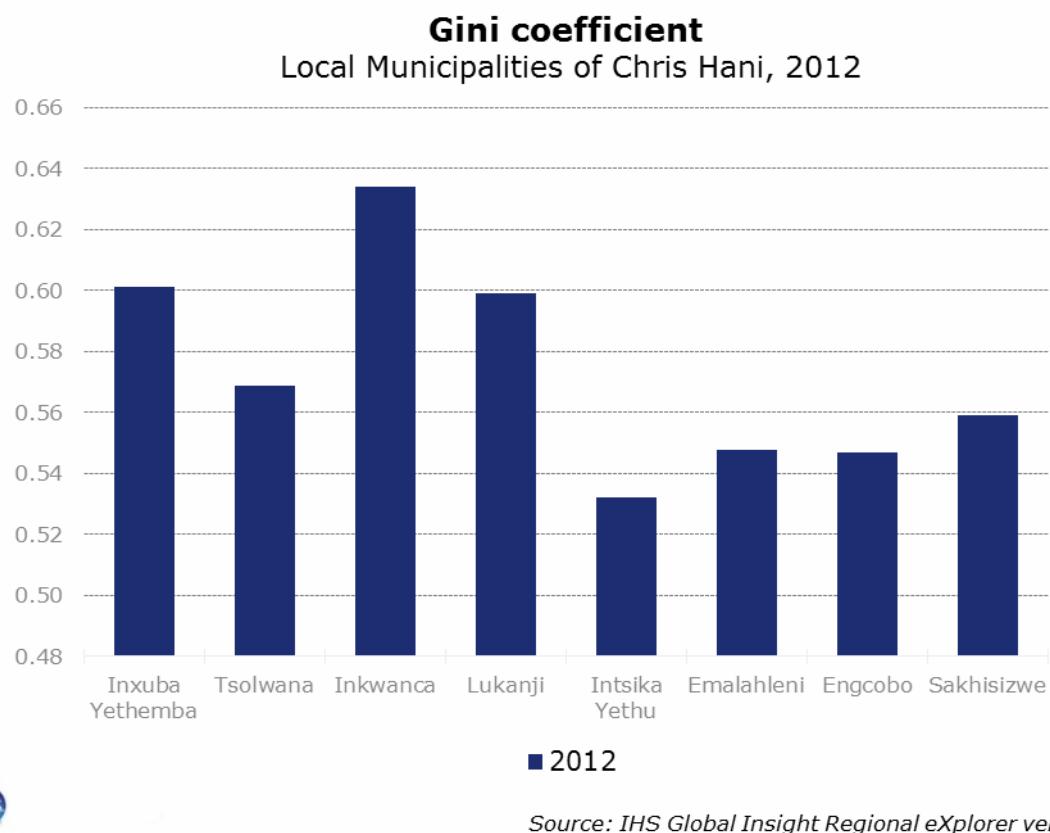
TABLE 33. GINI COEFFICIENT BY POPULATION GROUP - CHRIS HANI, 2002-2012 [NUMBER]

	African	White
2002	0.60	0.48
2003	0.61	0.48
2004	0.61	0.47
2005	0.61	0.46
2006	0.61	0.45
2007	0.60	0.44
2008	0.59	0.44
2009	0.57	0.43
2010	0.57	0.43
2011	0.56	0.43
2012	0.54	0.41
		Average Annual growth
2002-2012	-1.04%	-1.55%

Source: IHS Global Insight Regional eXplorer version 700

The population groups within the Chris Hani it can be seen that the Gini coefficient African population group decreased the least compared to the White population group with an average annual growth rate of -1.04%. The White population group decreased the most with an average annual growth rate of -1.55%. This implies that both the population groups have improved in terms of income equality within its own population group. The Asian and Coloured population groups are both very small in terms of household size and therefore the Gini coefficient has no statistical significance.

CHART 29. GINI COEFFICIENT – LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2012

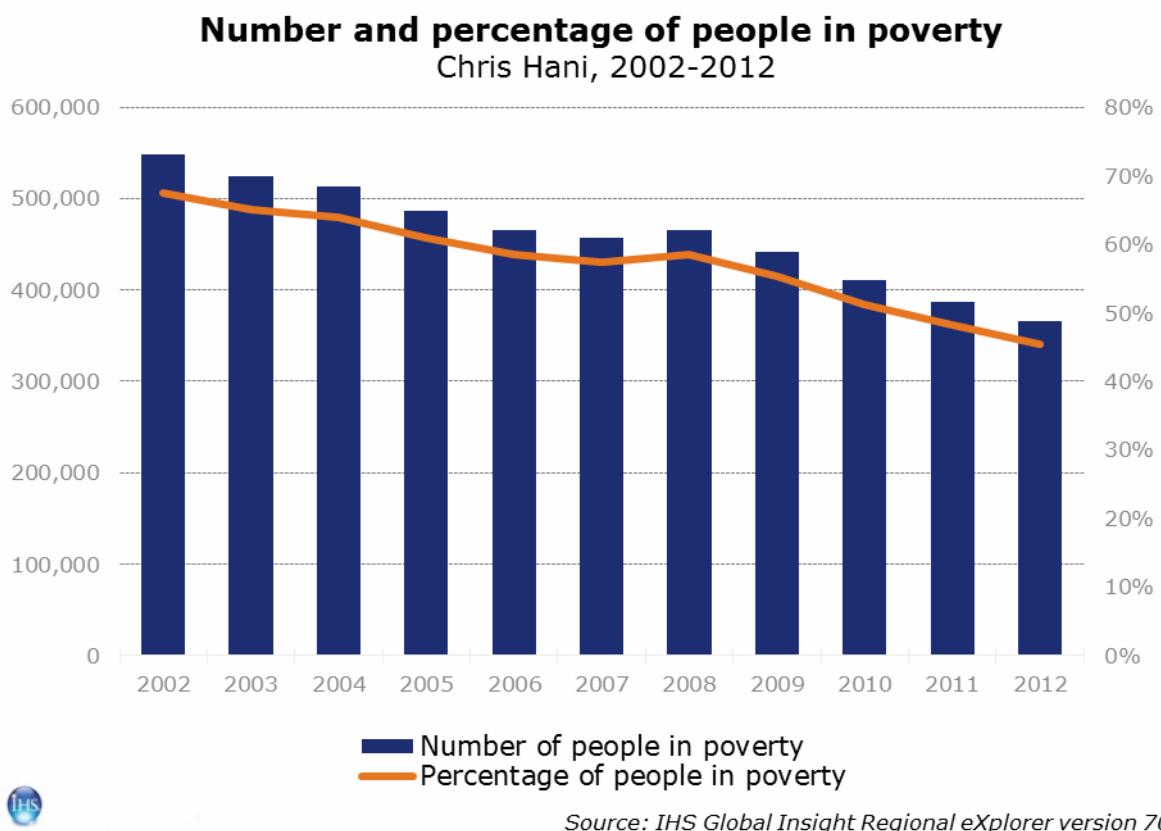


Comparing the Local Municipalities Gini coefficient, it is clear that the inequality in the distribution of income varies across the different local municipalities. The Inkwanca Local Municipality had the highest Gini coefficient with 0.63. The local municipality with the lowest Gini coefficient is the Intsika Yethu Local Municipality with 0.53.

5.3 Poverty

Definition: A household is considered to be subject to poverty if the individuals therein earn a combined income which is less than the poverty income threshold. This poverty income threshold is defined as the minimum monthly income needed to sustain a household. Obviously, this will vary according to household size, e.g. the larger the household, the greater the income required to keep its members out of poverty. The poverty income used by IHS - within the context of this assessment - is based on the Bureau of Market Research's Minimum Living Level. Currently, the poverty income threshold for a household of 4 people is set at R2 544 per month.

CHART 30. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER & PERCENTAGE]



In 2012, there were 365 000 people living in poverty across Chris Hani - this is 33.29% lower than the 548 000 in 2002. The percentage of people living in poverty decreased from 67.51% in 2002 to 45.41% in 2012 which is a decrease of 22.1 percentage points.

TABLE 34. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - CHRIS HANI, 2002-2012 [PERCENTAGE]

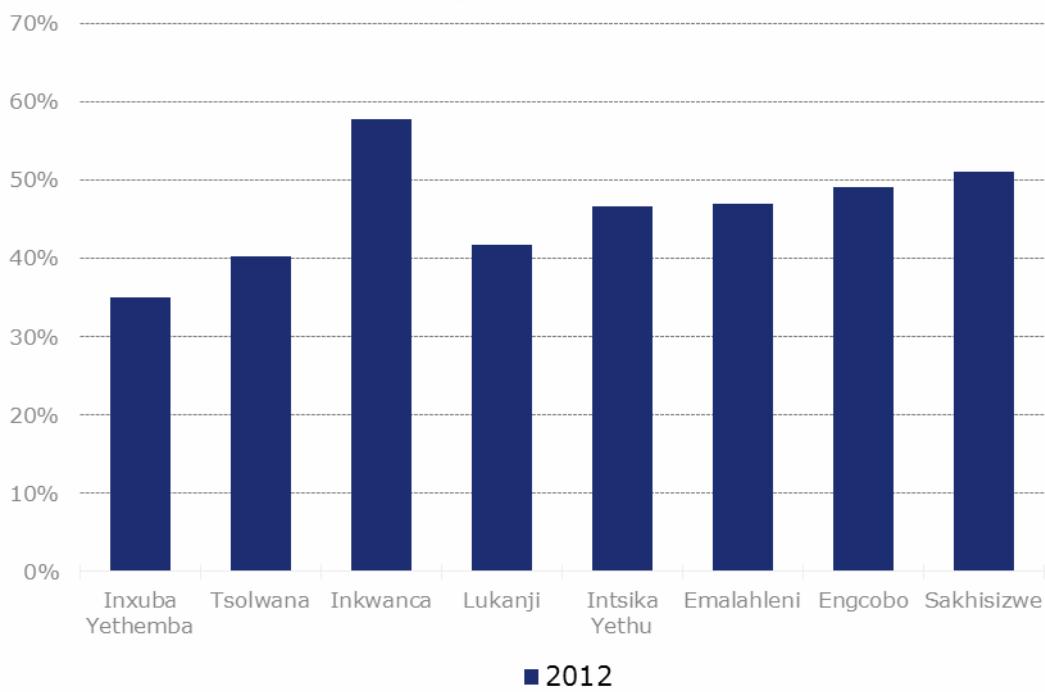
	African	White	Coloured	Asian	Total
2002	69.8%	3.5%	48.5%	16.4%	67.5%
2003	67.2%	3.2%	46.7%	17.9%	65.0%
2004	66.0%	2.8%	48.6%	18.9%	63.9%
2005	62.9%	1.8%	47.8%	18.6%	61.0%
2006	60.4%	1.7%	47.1%	19.2%	58.6%
2007	59.3%	1.5%	45.5%	19.8%	57.5%
2008	60.3%	1.6%	46.0%	20.5%	58.5%
2009	57.1%	1.6%	41.2%	16.7%	55.3%
2010	53.1%	1.5%	37.3%	11.3%	51.3%
2011	49.8%	1.4%	35.1%	12.5%	48.2%
2012	47.0%	1.2%	32.5%	12.8%	45.4%

Source: IHS Global Insight Regional eXplorer version 700

The percentage of African population group living in poverty decreased with 22.8 percentage points from 69.83% in 2002 to 47.01% in 2012. In 2012 32.48% of the Coloured population group lived in poverty, as compared to the 48.52% in 2002. The Asian and the White population group saw a decrease in the percentage of people living in poverty, with a decrease of 3.58 and 2.25 percentage points respectively.

TABLE 35. PERCENTAGE OF PEOPLE LIVING IN POVERTY - LOCAL MUNICIPALITY OF CHRIS HANI DISTRICT MUNICIPALITY,2012 [PERCENTAGE]

Percentage of people living in poverty Local Municipalities of Chris Hani, 2012



■ 2012

Source: IHS Global Insight Regional eXplorer version 700

In most of the local municipalities, almost half of its population lives in poverty. The local municipality with the highest number of people living in poverty is the Inkwanca Local Municipality 57.6%, while the more urban local municipalities tend to have a lower rate of people living in poverty.

5.3.1 Poverty Gap

Definition: Although the poverty rate (see above) is a good measure, it has a major shortcoming - it does not give any indication of the depth of poverty, i.e. it does not indicate how far poor households are below the poverty income level. Therefore we need another measurement, called the Poverty Gap. The poverty gap calculates the difference between the poverty line and the income of every poor household, resulting in a figure that shows how low the combined poverty is. The poverty gap indicates the total amount by which the income of poor households need to be raised each year, in order to bring all households up to the poverty line and thus out of poverty. The numbers are presented in Rand millions.

It is estimated that the poverty gap in Chris Hani District Municipality amounted to R 928 million in 2012 - the amount needed to bring all poor households up to the poverty line and out of poverty.

TABLE 36. TOTAL POVERTY GAP BY POPULATION GROUP - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [R MILLIONS, CURRENT PRICES]

	African	White	Coloured	Asian	Total
2002	793.3	0.7	20.3	0.1	814.4
2003	808.1	0.6	20.7	0.1	829.5
2004	817.2	0.6	22.0	0.2	840.0
2005	826.4	0.4	23.0	0.2	849.9
2006	815.1	0.4	23.5	0.2	839.2
2007	858.3	0.4	24.8	0.3	883.7
2008	1,019.3	0.5	29.5	0.6	1,050.0
2009	1,000.2	0.5	27.4	0.9	1,029.0
2010	930.4	0.4	25.5	0.7	957.0
2011	922.2	0.4	26.0	0.9	949.5
2012	900.7	0.3	26.1	1.2	928.3
Average Annual growth					
2002-2012	1.28%	-8.13%	2.52%	26.78%	1.32%

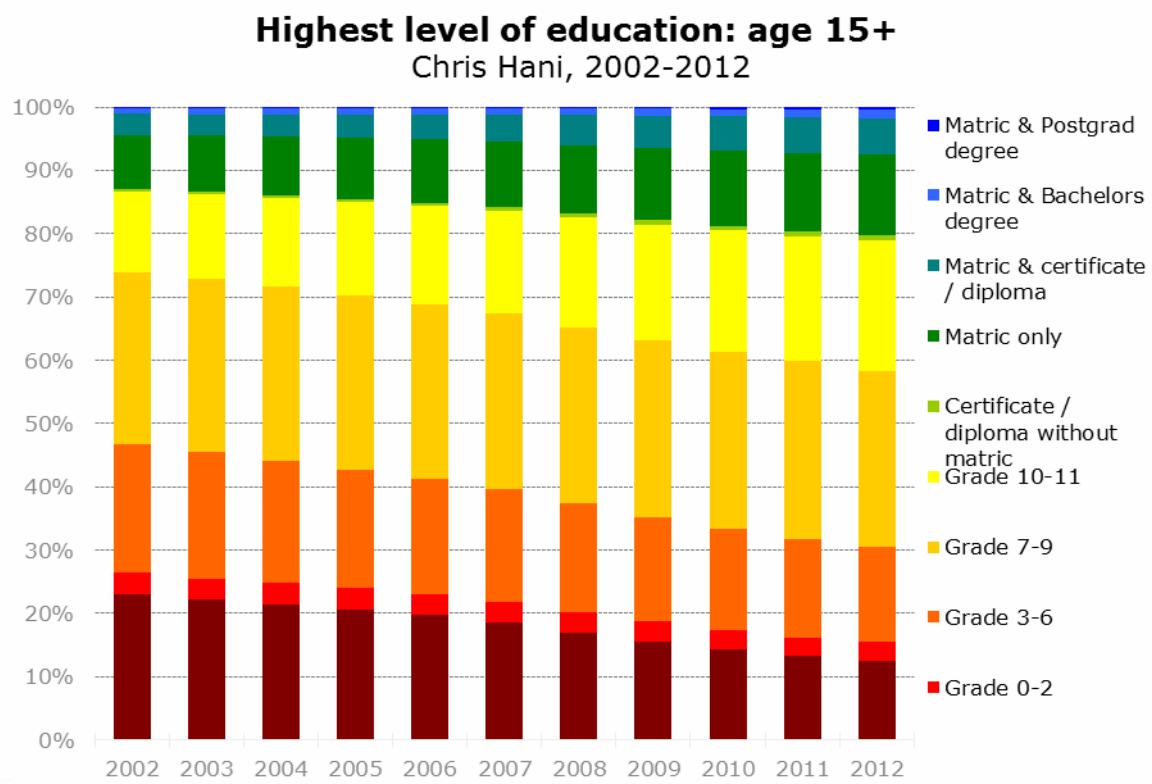
Source: IHS Global Insight Regional eXplorer version 700

The African population group has the largest poverty gap in absolute terms of R 901 million (which increased from R 793 million in 2002). The Coloured population group showed the second largest poverty gap with a total of R 26.1 million (which increased from R 20.3 million in 2002). The Asian and the White population groups have a poverty gap of R 114,000 and R 675,000 respectively.

5.4 Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 31. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012
[PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The number of people without any schooling within Chris Hani District Municipality, decreased annually from 2002 to 2012 with -5.40%, while number of people with a 'matric only', increased from 43,300 to 69,000. The number of people with 'matric and a certificate/diploma' increased annually with 6.08%, with the number of people with a 'matric and a Bachelor's' degree increasing annually with 5.81%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

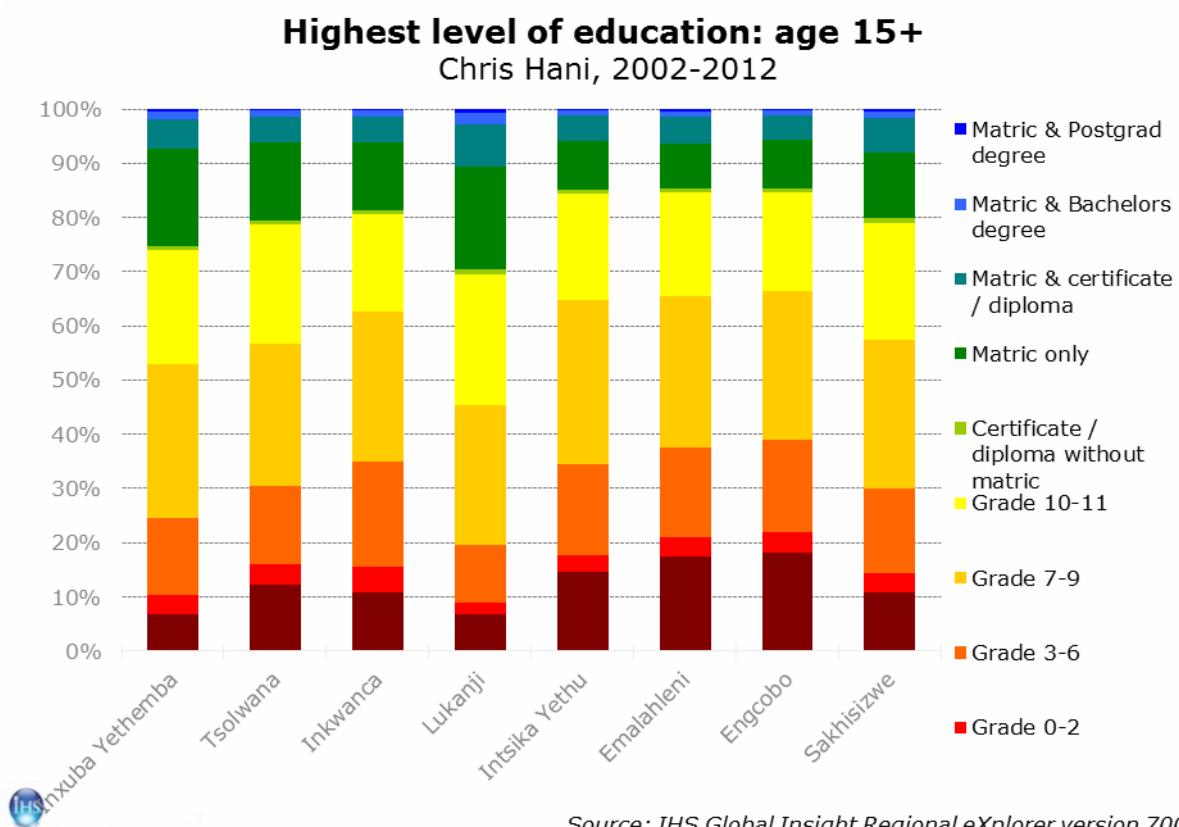
TABLE 37. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [NUMBERS]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
No schooling	67,227	437,695	2,621,077	15.4%	2.6%
Grade 0-2	16,909	107,464	599,961	15.7%	2.8%
Grade 3-6	80,487	544,950	3,216,343	14.8%	2.5%
Grade 7-9	148,825	1,173,214	8,082,816	12.7%	1.8%
Grade 10-11	111,813	1,043,859	9,105,784	10.7%	1.2%
Certificate / diploma without matric	4,393	36,160	333,274	12.1%	1.3%
Matric only	68,956	819,275	9,175,011	8.4%	0.8%
Matric & certificate / diploma	30,728	252,909	2,359,720	12.1%	1.3%
Matric & Bachelors degree	7,342	79,692	883,822	9.2%	0.8%
Matric & Postgrad degree	1,970	25,707	374,910	7.7%	0.5%

Source: IHS Global Insight Regional eXplorer version 700

The number of people without any schooling in Chris Hani District Municipality constitutes 2.56% of the number of people without schooling in the province and a total share of 2.56% of the national. In 2012, the number of people in Chris Hani District Municipality with a matric only was 69,000 which is a share of 0.75% of the province. The number of people with a matric and a Postgrad degree constitutes 0.83% of the province and 0.83% of the national.

TABLE 38. HIGHEST LEVEL OF EDUCATION: AGE 15+, LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

In 2012, the local municipality with the most people aged 15 years and up with no schooling is the Engcobo Local Municipality with 18% or 17 700 persons. Lukanji Local Municipality has the highest percentage of people with a tertiary education of some kind. In 2012 the Chris Hani District Municipality a total of 67 200 persons have no schooling this is 8.4% of the total population.

5.5 Functional literacy

Definition: For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

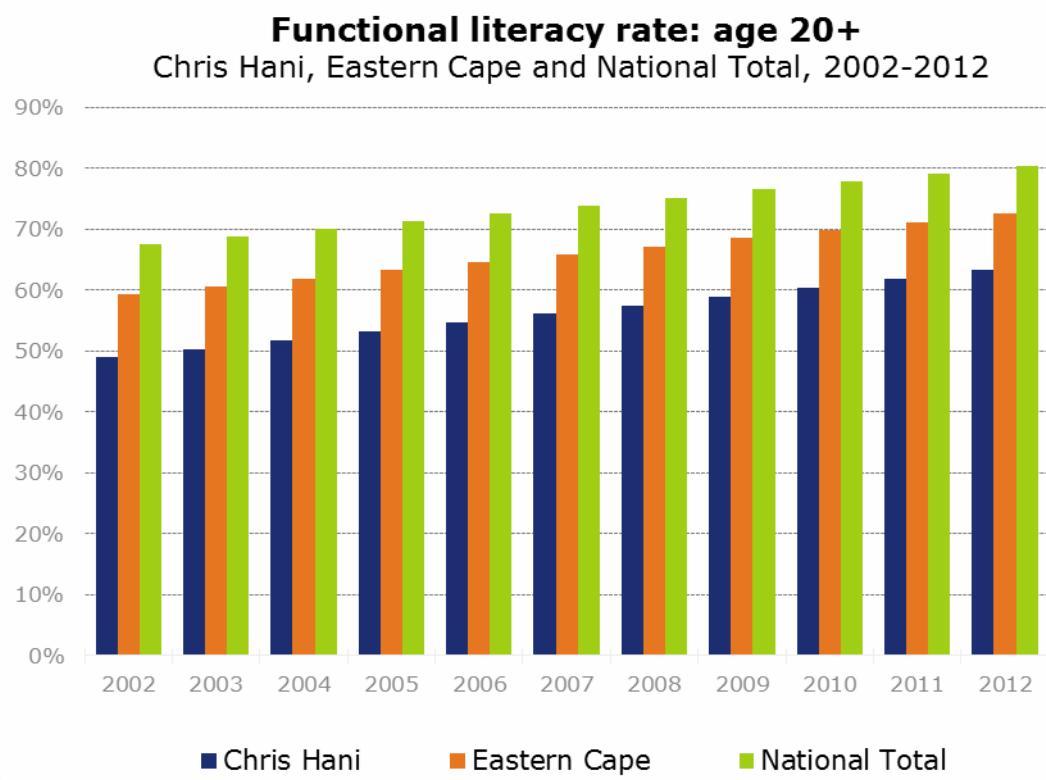
TABLE 39. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI, 2002-2012 [NUMBER & PERCENTAGE]

	Illiterate	Literate	%
2002	205,490	196,622	48.9%
2003	201,363	204,017	50.3%
2004	197,176	211,567	51.8%
2005	193,045	219,404	53.2%
2006	189,184	227,786	54.6%
2007	185,478	236,645	56.1%
2008	182,070	246,231	57.5%
2009	178,687	256,293	58.9%
2010	175,188	266,686	60.4%
2011	171,386	277,136	61.8%
2012	167,368	287,717	63.2%
Average Annual growth			
2002-2012	-2.03%	3.88%	2.60%

Source: IHS Global Insight Regional eXplorer version 700

A total of 288 000 individuals in Chris Hani District Municipality were considered functionally literate in 2012, while 167 000 people were considered to be illiterate. Expressed as a rate, this amounts to 63.22%, which is an increase of 14.33% percentage points since 2002 (48.90%). The number of illiterate individuals decreased - by -2.03% annually from 2002 to 2012, with the number of functional literate people increasing at 3.88% annually.

CHART 32. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [PERCENTAGE]

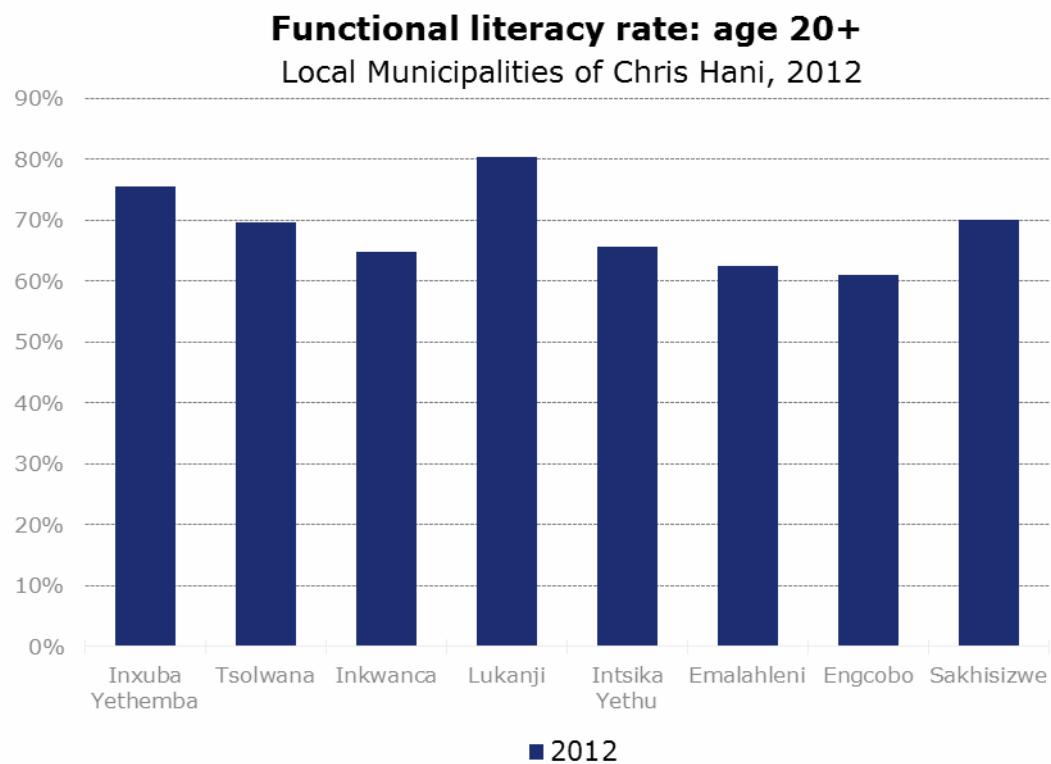


Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality's functional literacy rate of 63.22% in 2012 is lower than that of Eastern Cape at 72.50% as well as the national rate of 80.42%.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

CHART 33. LITERACY RATE - LOCAL MUNICIPALITY OF CHRIS HANI DISTRICT MUNICIPALITY,2012
[PERCENTAGE]



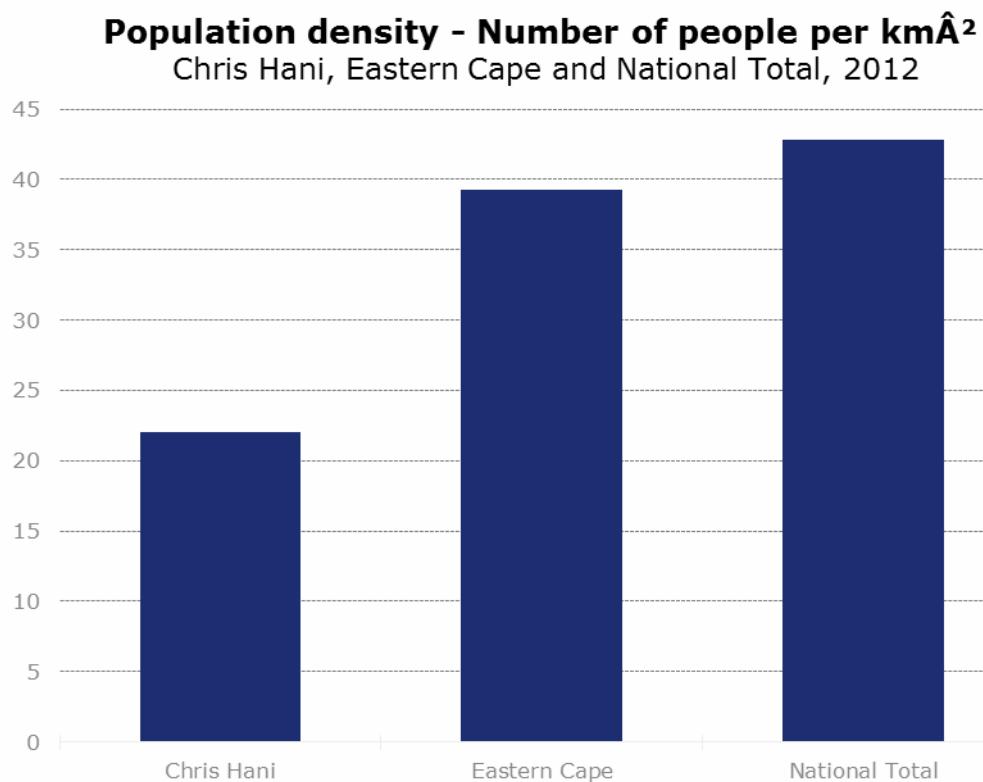
Source: IHS Global Insight Regional eXplorer version 700

Lukanji Local Municipality, at 80.3%, does have the highest literacy rates within the Chris Hani District Municipality. The lowest literacy rate of 60.9% is in the Engcobo Local Municipality.

5.6 Population Density

Definition: Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

CHART 34. POPULATION DENSITY - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [NUMBER OF PEOPLE PER KM]



Source: IHS Global Insight Regional eXplorer version 700

In 2012, with an average of 22 people per square kilometre, Chris Hani District Municipality had a lower population density than Eastern Cape (39 people per square kilometre). Comparing to the South Africa (43 per square kilometre) it can be seen that there are less people living per square kilometre in Chris Hani than in South Africa.

CHART 35. POPULATION DENSITY - CHRIS HANI AND THE REST OF EASTERN CAPE, 2002-2012 [NUMBER OF PEOPLE PER KM]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amatole	Joe Gqabi (Ukahlamba)	O.R.Tambo	Alfred Nzo
2002	22.19	555.19	293.49	7.06	46.18	13.65	109.43	73.54
2003	22.06	558.64	293.74	7.12	45.74	13.67	109.58	73.56
2004	21.94	562.11	293.96	7.19	45.28	13.68	109.74	73.57
2005	21.84	565.96	294.33	7.25	44.82	13.68	109.90	73.58
2006	21.76	570.21	294.90	7.33	44.37	13.68	110.11	73.60
2007	21.75	574.80	295.55	7.40	43.92	13.66	110.41	73.64
2008	21.78	580.22	296.48	7.50	43.50	13.64	110.85	73.74
2009	21.83	586.28	297.74	7.59	43.12	13.64	111.38	73.90
2010	21.90	593.22	299.59	7.70	42.84	13.68	112.08	74.19
2011	21.95	600.42	301.62	7.81	42.58	13.74	112.80	74.51

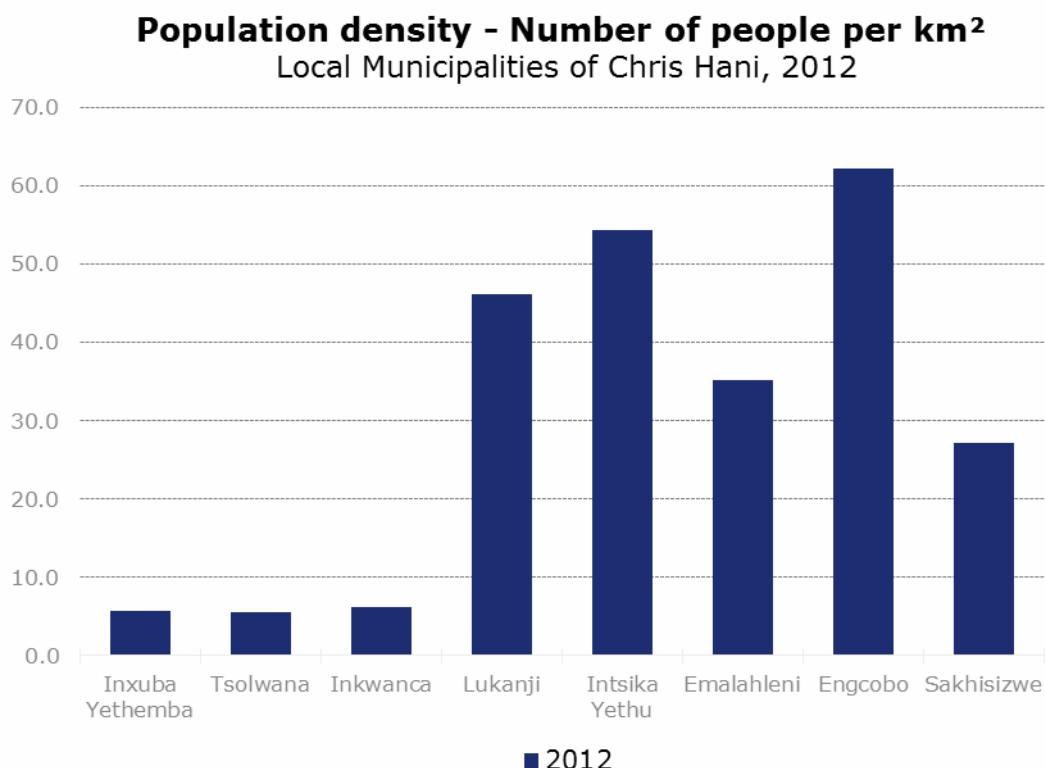
	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amatole	Joe Gqabi (Ukhahlamba)	O.R.Tambo	Alfred Nzo
2012	22.01	607.51	303.67	7.91	42.36	13.81	113.55	74.86
Average Annual growth								
2002-2012	-	0.90%	0.34%	1.14%	-0.86%	0.11%	0.37%	0.18%
		0.08%						

Source: IHS Global Insight Regional eXplorer version 700

In 2012, Chris Hani District Municipality had a population density of 22 per square kilometre and it ranked highest amongst its peers. The region with the highest population density per square kilometre were the Nelson Mandela Bay with a total population density of 608 per square kilometre. In terms of growth, Chris Hani District Municipality had an average annual growth in its population density of -0.08% per square kilometre. The region with the highest growth rate in the population density per square kilometre was Cacadu with an average annual growth rate of 1.14% per square kilometre. In 2012, the region with the lowest population density is Cacadu with a 7.91 people per square kilometre. The region with the lowest average annual growth rate was the Amatole with an average annual growth rate of -0.86% people per square kilometre.

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

CHART 36. POPULATION DENSITY - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2012
[NUMBER OF PEOPLE PER KM²]



Source: IHS Global Insight Regional eXplorer version 700

When focusing on the various municipalities within the Chris Hani District Municipality, the population density of Engcobo Local Municipality is the highest with a 62 people per square kilometre. The Inxuba Yethemba, Tsolwane and the Inkwanca is fairly low relative to the other local municipalities within the Chris Hani District Municipality.

6. Crime

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

6.1 IHS Composite Crime Index

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

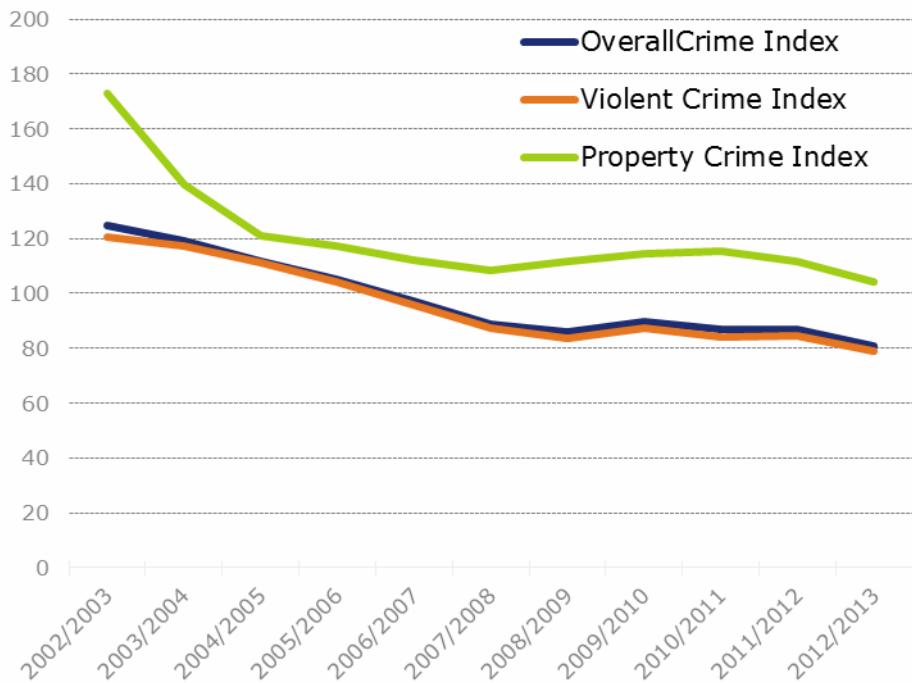
6.1.1 Overall crime index

Definition: The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 37. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - CHRIS HANI DISTRICT MUNICIPALITY, 2002/2003-2012/2013 [INDEX VALUE]

Overall, Violent and Property Crime Index

Chris Hani, 2002/2003-2012/2013



Source: IHS Global Insight Regional eXplorer version 700

For the period 2002/2003 to 2012/2013 overall crime has decreased at an average annual rate of 4.25% within the Chris Hani District Municipality. Violent crime decreased by 4.17% since 2002/2003, while property crimes decreased by 4.93% between the 2002/2003 and 2012/2013 financial years.



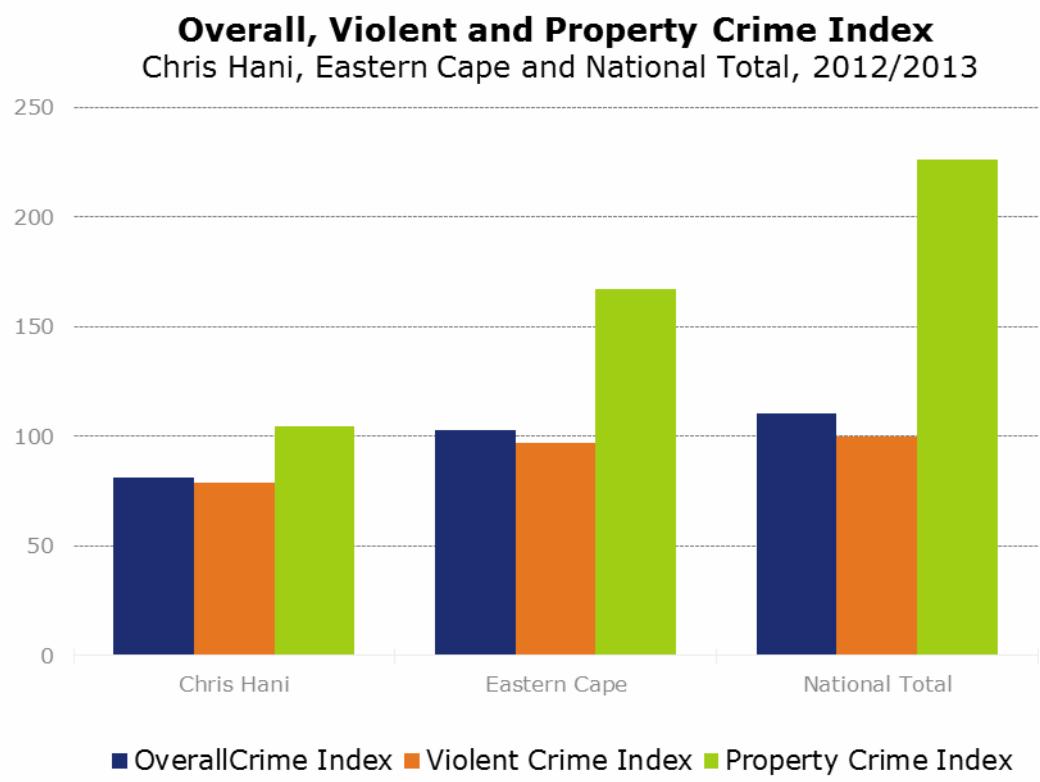
TABLE 40. OVERALL CRIME INDEX - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2002/2003-2012/2013 [INDEX VALUE]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amatole	Joe Gqabi (Ukhahlamba)	O.R.Tambo	Alfred Nzo
2002/2003	124.9	233.05	199.91	250.30	114.73	121.59	77.78	67.88
2003/2004	118.9	217.35	196.78	242.89	116.67	120.23	81.23	62.21
2004/2005	111.8	215.80	194.11	244.15	116.53	122.89	78.28	62.93
2005/2006	105.2	197.55	175.97	234.94	106.12	110.06	91.55	63.08
2006/2007	97.22	201.13	170.88	228.21	96.52	102.82	73.58	59.13
2007/2008	88.97	178.24	171.28	207.26	92.03	90.47	69.00	59.65
2008/2009	85.86	177.21	168.31	207.38	87.87	83.41	61.86	54.87
2009/2010	89.72	165.82	162.03	201.50	94.61	88.92	65.67	60.44
2010/2011	86.70	162.78	155.79	184.91	95.05	90.80	69.85	56.68
2011/2012	86.73	157.89	156.27	171.22	99.73	93.11	66.97	55.43
2012/2013	80.88	151.44	144.07	160.99	98.08	93.16	65.15	54.81
Average Annual growth								
2002/2003-2012/2013	-4.25%	-4.22%	-3.22%	-4.32%	-1.56%	-2.63%	-1.76%	2.12%

Source: IHS Global Insight Regional eXplorer version 700

In 2012/2013, the Cacadu has the highest overall crime rate of the Districts and Metros within the overall Eastern Cape Province with an index value of 161. Nelson Mandela Bay has the second highest overall crime index at 151, with Buffalo City having the third highest overall crime index of 144. It is clear that all the crime is decreasing overtime for all the regions within Eastern Cape Province. O.R.Tambo has the second lowest overall crime index of 65.2 and the Alfred Nzo has the lowest overall crime rate of 54.8. It is clear that crime is decreasing overtime for all the regions within Eastern Cape Province. The region that decreased the most in overall crime since 2002/2003 was Cacadu with an average annual decrease of 4.3% followed by Chris Hani with an average annual decrease of 4.3%.

CHART 38. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012/2013 [INDEX VALUE]



Source: IHS Global Insight Regional eXplorer version 700

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

7. Household Infrastructure

Drawing on the household infrastructure data of a region is of essential value in economic planning and social development. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

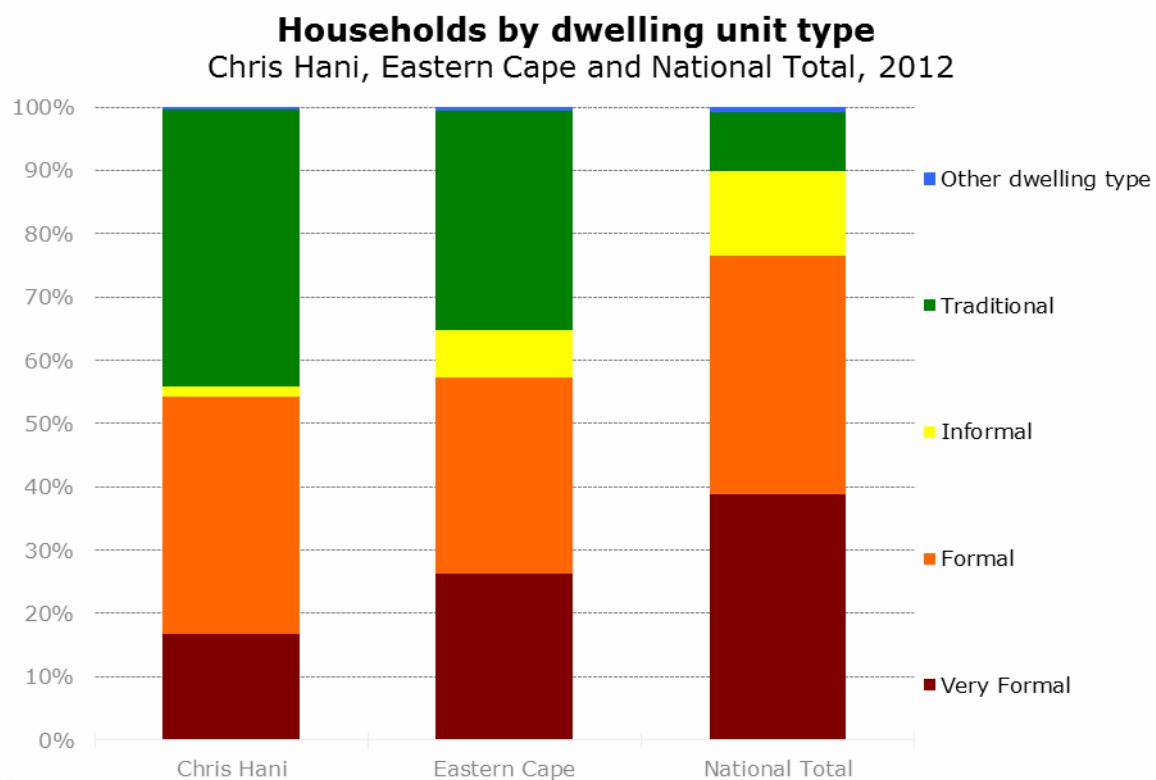
The next few sections offer an overview of the household infrastructure of the Chris Hani District Municipality between 2012 and 2002.

7.1 Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling..
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

CHART 39. HOUSEHOLDS BY DWELLING UNIT TYPE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality had a total number of 35 700 (16.67% of total households) very formal dwelling units, a total of 80 400 (37.51% of total households) formal dwelling units and a total number of 3 650 (1.70% of total households) informal dwelling units.

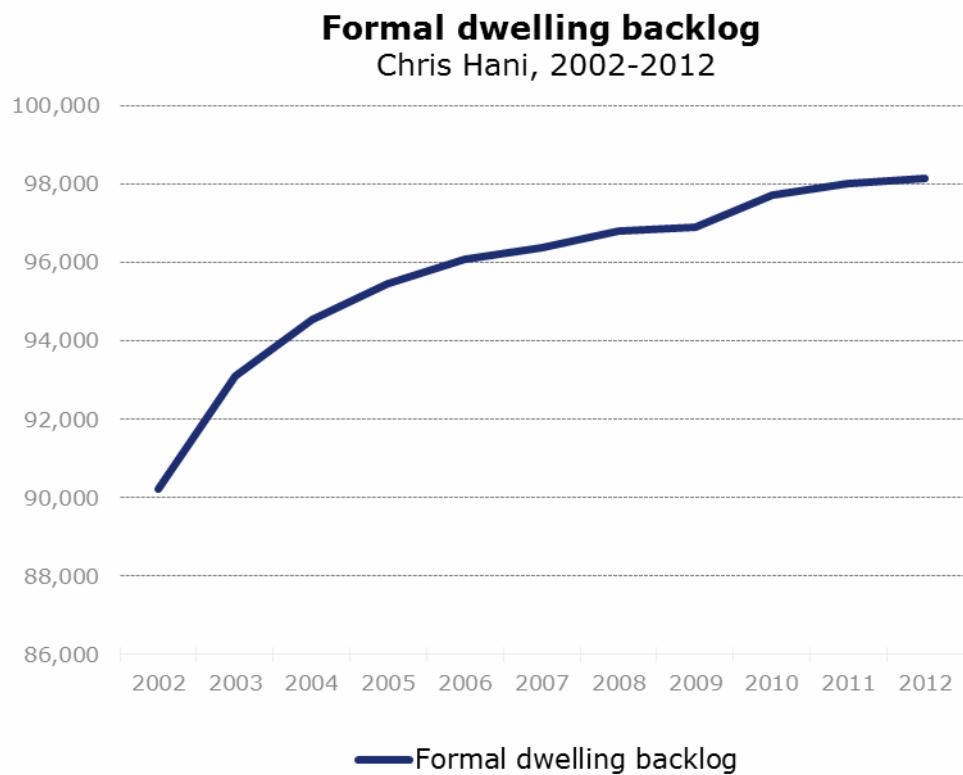
TABLE 41. HOUSEHOLDS BY DWELLING UNIT TYPE - LOCAL MUNICIPALITIES OF CHRIS HANI, 2012 [NUMBER]

	Inxuba Yethemb a	Tsolwan a	Inkwanc a	Lukan ji	Intsik a Yethu	Emalahle ni	Engcob o	Sakhisizw e	Total Easter n Cape
Very Formal	11,082	730	1,296	19,89 6	126	956	255	1,369	35,711
Formal	7,529	6,865	4,617	23,50 6	8,713	13,129	8,438	7,565	80,362
Informal	394	77	76	1,727	233	119	435	585	3,647
Traditional	126	1,697	70	7,399	30,68 9	18,178	28,294	7,313	93,767
Other dwelling type	89	29	27	175	98	53	192	75	738
Total	19,220	9,398	6,087	52,70 3	39,85 8	32,436	37,614	16,908	214,22 4

Source: IHS Global Insight Regional eXplorer version 700

The local municipality with the highest number of very formal dwelling units is Lukhanji Local Municipality with 19 900 or a share of 55.7% of the total very formal dwelling units within Chris Hani DM. The local municipality with the lowest number of very formal dwelling units is Intsika Yethu Local Municipality with a total of 126 or a share of 0.35% of the total very formal dwelling units within Chris Hani.

CHART 40. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER OF HOUSEHOLDS]



Source: IHS Global Insight Regional eXplorer version 700

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2002 the number of households not living in a formal dwelling were 90 200 within Chris Hani District Municipality. From 2002 this number increased annually at 0.85% to 98 200 in 2012.

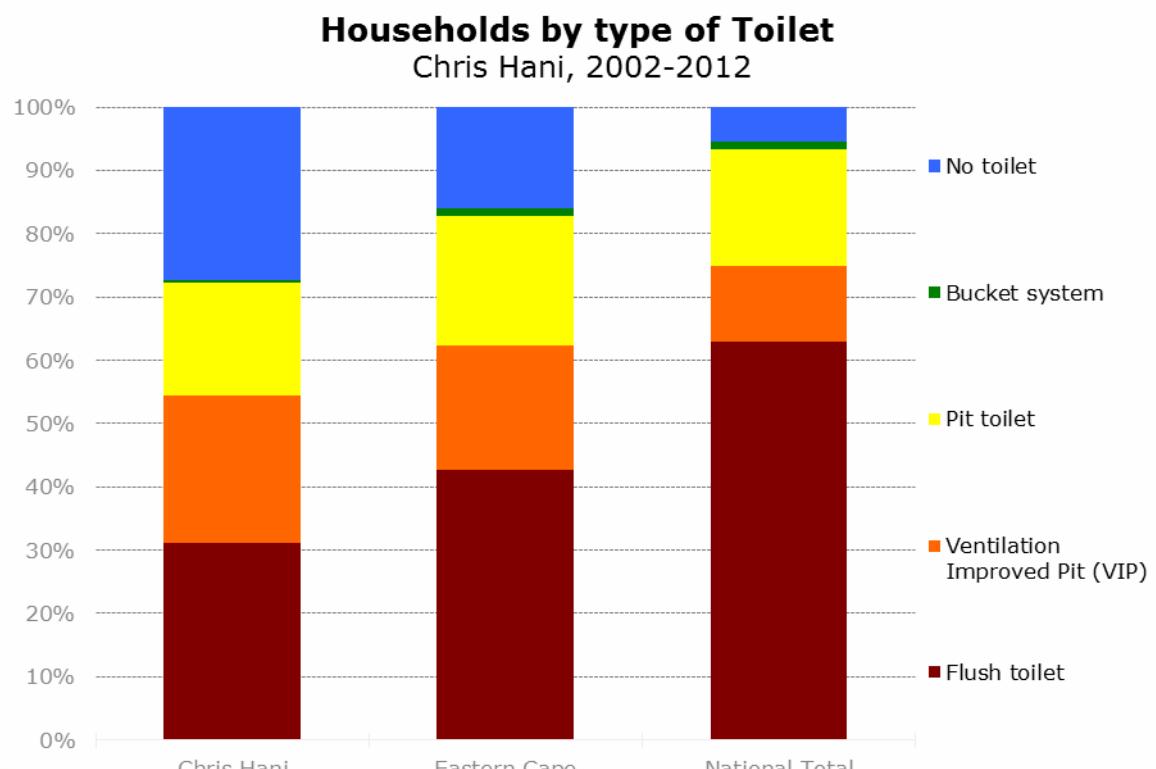
The total number of households within Chris Hani District Municipality increased at an average annual rate of 1.22% from 2002 to 2012, which is higher than the annual increase of 2.07% in the number of households in South Africa.

7.2 Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet**-No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 41. HOUSEHOLDS BY TYPE OF SANITATION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700



Chris Hani District Municipality had a total number of 66 800 flush toilets (31.18% of total households), 49 800 Ventilation Improved Pit (VIP) (23.26% of total households) and 38 200 (17.81% of total households) pit toilets.

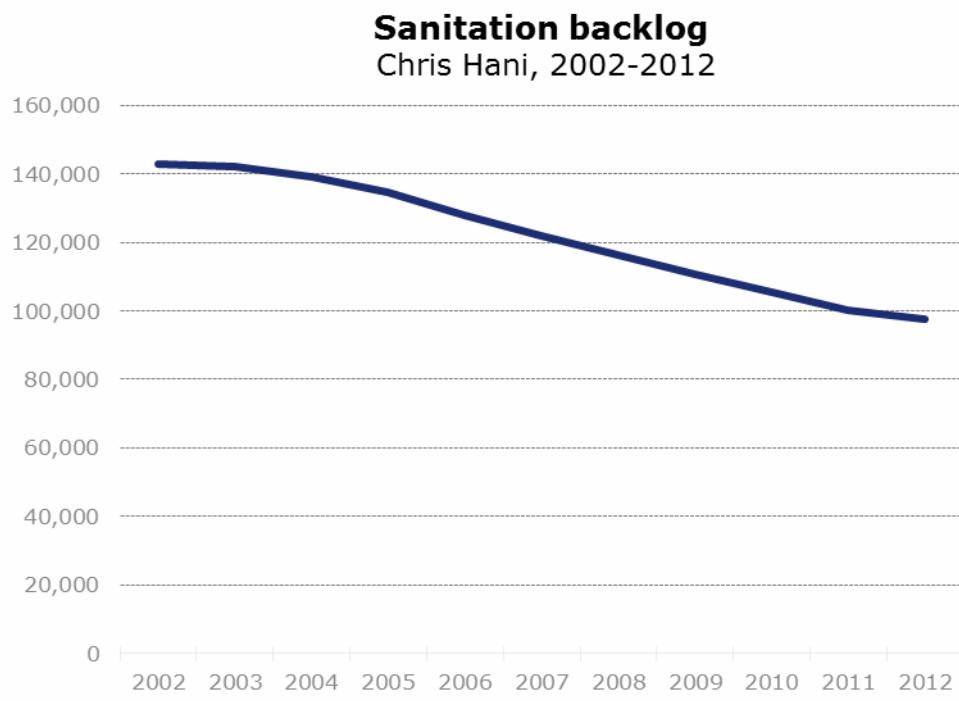
TABLE 42. HOUSEHOLDS BY TYPE OF SANITATION - LOCAL MUNICIPALITIES OF CHRIS HANI, 2012
[NUMBER]

	Inxuba Yethemb a	Tsolwan a	Inkwanc a	Lukan ji	Intsik a	Emalahle ni	Engcob o	Sakhisizw e	Total Easter n Cape
Flush toilet	16,521	1,539	5,209	32,15 6	1,397	4,392	1,899	3,675	66,789
Ventilation Improved Pit (VIP)	366	5,970	96	8,575	10,54 8	8,422	10,795	5,050	49,823
Pit toilet	540	526	80	6,995	10,11 2	7,641	7,697	4,557	38,149
Bucket system	122	215	40	87	45	247	52	146	953
No toilet	1,672	1,148	661	4,890	17,75 5	11,733	17,170	3,479	58,508
Total	19,221	9,398	6,087	52,70	39,85 4	32,435	37,613	16,908	214,22 2

Source: IHS Global Insight Regional eXplorer version 700

The local municipality with the highest number of flush toilets is Lukanji Local Municipality with 32 200 or a share of 48.15% of the flush toilets within Chris Hani. The local municipality with the lowest number of flush toilets is Intsika Yethu Local Municipality with a total of 1400 or a share of 2% of the total flush toilets within Chris Hani.

CHART 42. SANITATION BACKLOG - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



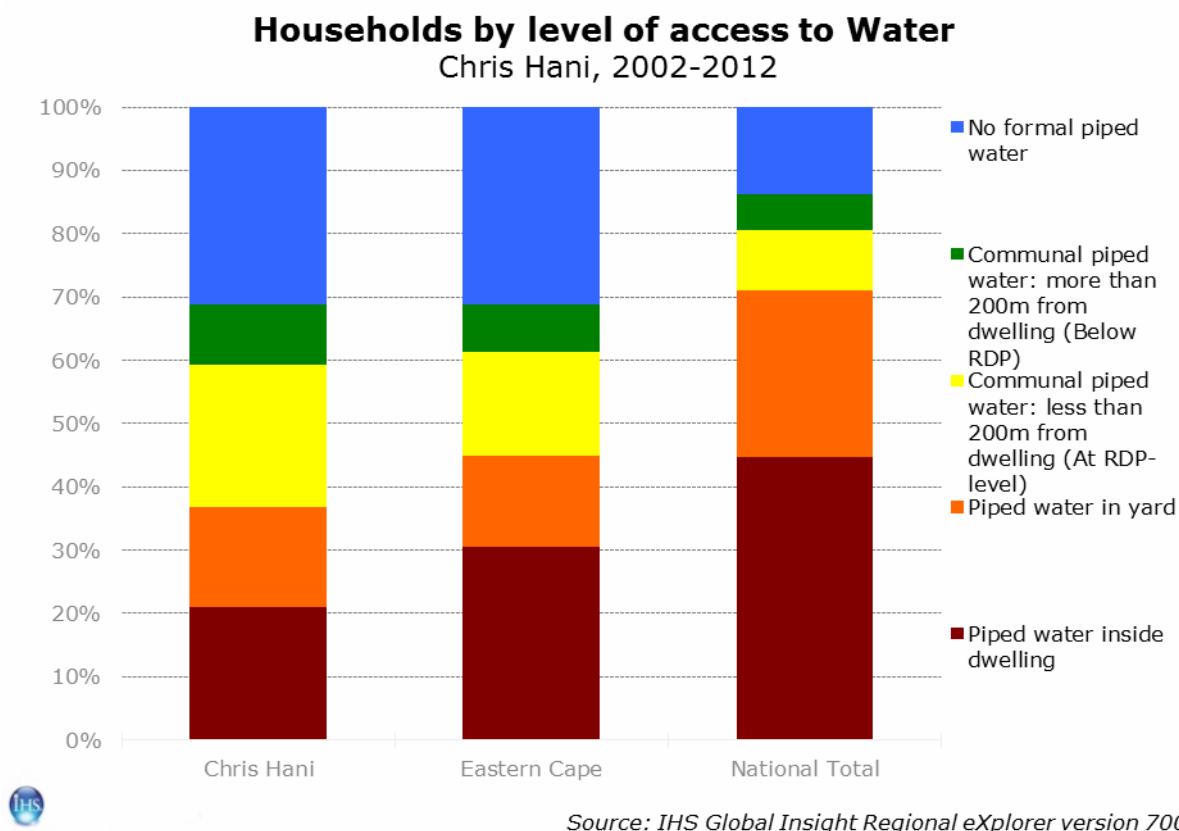
Source: IHS Global Insight Regional eXplorer version 700

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2002 the number of Households without any hygienic toilets in Chris Hani District Municipality was 143 000, this decreased annually at -3.75% to 97 600 in 2012.

7.3 Households by Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 43. HOUSEHOLDS BY TYPE OF WATER ACCESS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [PERCENTAGE]



Chris Hani District Municipality had a total number of 44 800 (20.90% of total households) households with piped water inside the dwelling, a total of 34 200 (15.97% of total households) households with piped water inside the yard and a total number of 67 000 (31.28% of total households) households with no formal piped water.

TABLE 43. HOUSEHOLDS BY TYPE OF WATER ACCESS - LOCAL MUNICIPALITIES OF CHRIS HANI, 2012
 [NUMBER]

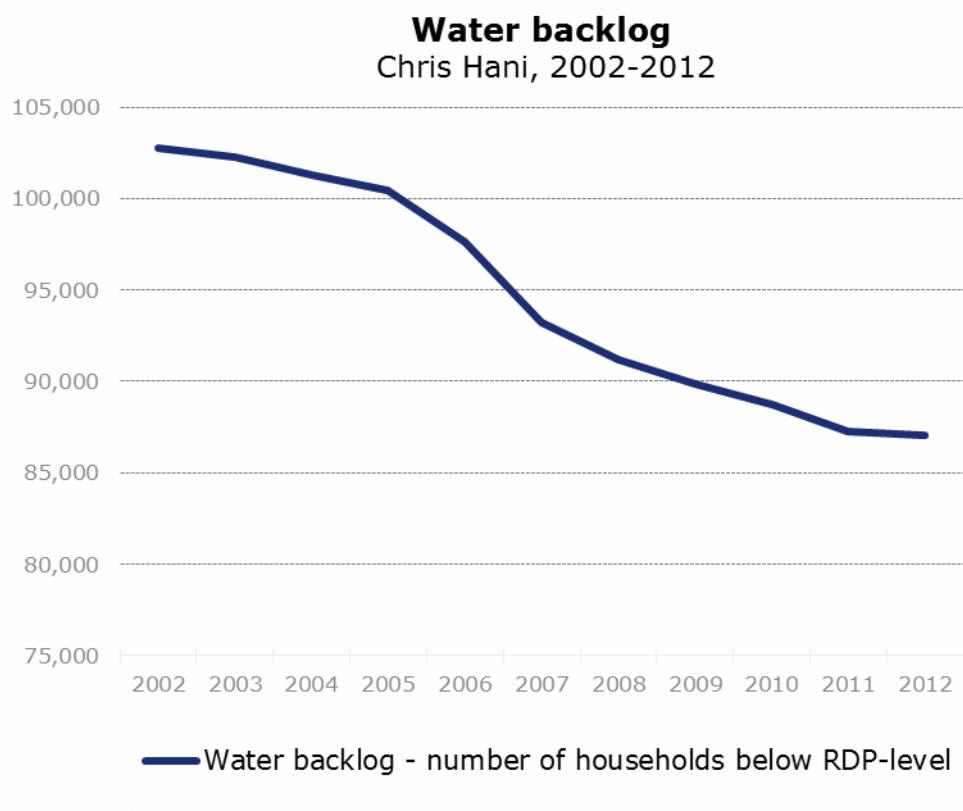
	Inxuba Yethemb a	Tsolwan a	Inkwanc a	Lukan ji	Intsik a Yethu	Emalahle ni	Engcob o	Sakhisizw e	Total Easter n Cape
Piped water inside dwelling	12,536	1,329	1,610	23,321	678	2,004	704	2,590	44,772
Piped water in yard	4,938	3,047	3,922	10,818	1,862	4,820	1,023	3,788	34,219
Community piped water: less than 200m from dwelling (At RDP-level)	122	3,153	79	9,3139	11,959	11,315	7,765	4,483	48,188
Community piped water: more than 200m from dwelling (Below RDP)	52	874	21	3,094	6,516	3,717	4,517	1,253	20,043
No formal piped water	1,571	994	455	6,158	18,843	10,579	23,605	4,793	66,999
Total	19,220	9,398	6,087	52,703	39,858	32,435	37,614	16,908	214,222

Source: IHS Global Insight Regional eXplorer version 700

The local municipality with the highest number of households with piped water inside the dwelling is Lukanji Local Municipality with 23 300 or a share of 52.09% of the households with piped water inside the dwelling within Chris Hani.

The local municipality with the lowest number of households with piped water inside the dwelling is Intsika Yethu Local Municipality with a total of 678 or a share of 1.51% of the total households with piped water inside the dwelling within Chris Hani.

CHART 44. WATER BACKLOG - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



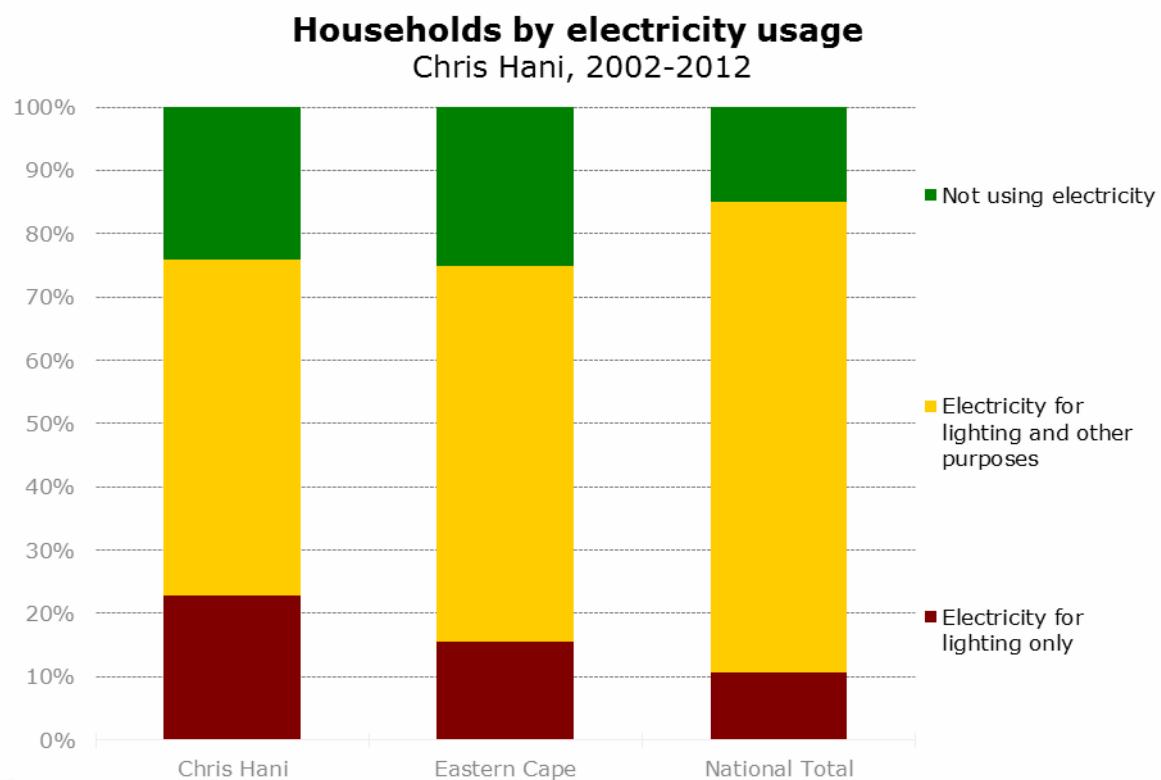
Source: IHS Global Insight Regional eXplorer version 700

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2002 the number of households below the RDP-level were 103 000 within Chris Hani District Municipality, this decreased annually at -1.65% to 87 000 in 2012.

7.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 45. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality had a total number of 49 000 (22.85% of total households) households with electricity for lighting only, a total of 114 000 (53.06% of total households) households with electricity for lighting and other purposes and a total number of 51 600 (24.09% of total households) households that are not using electricity.



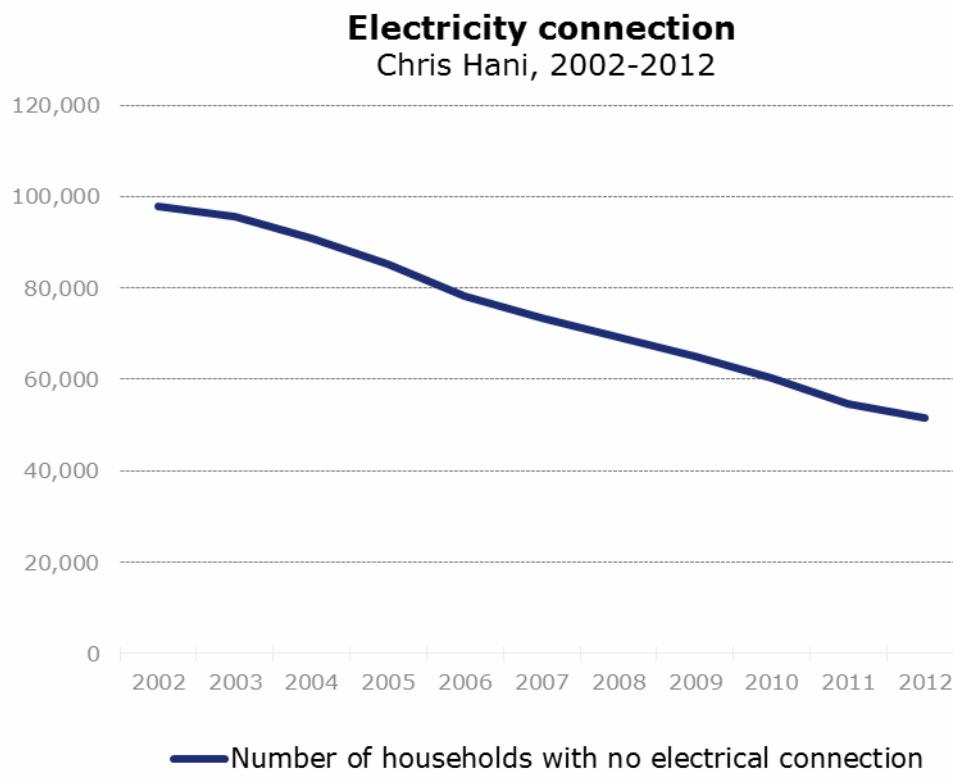
TABLE 44. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - LOCAL MUNICIPALITIES OF CHRIS HANI, 2012 [NUMBER]

	Inxuba Yethemb a	Tsolwan a	Inkwanc a	Lukanj i	Intsik a	Emalahle ni	Engcob o	Sakhisizw e	Total Easter n Cape
Electricit y for lighting only	1,938	2,740	1,511	7,702	11,16 9	10,932	8,643	4,311	48,946
Electricit y for lighting and other purpos es	16,327	5,426	4,051	39,40 2	13,35 5	14,212	12,099	8,790	113,66 2
Not using electricit y	955	1,232	525	5,600	15,33 3	7,290	16,871	3,807	51,613
Total	19,221	9,398	6,087	52,70	39,85	32,435	37,612	16,907	214,22
				4	6				1

Source: IHS Global Insight Regional eXplorer version 700

The local municipality with the highest number of households with electricity for lighting and other purposes is Lukanji Local Municipality with 39 400 households. The local municipality with the lowest number of households with electricity for lighting and other purposes is Inkwanca Local Municipality with a total of 4 100 or a share of 4% of the total households with electricity for lighting and other purposes within Chris Hani.

CHART 46. ELECTRICITY CONNECTION - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Global Insight Regional eXplorer version 700

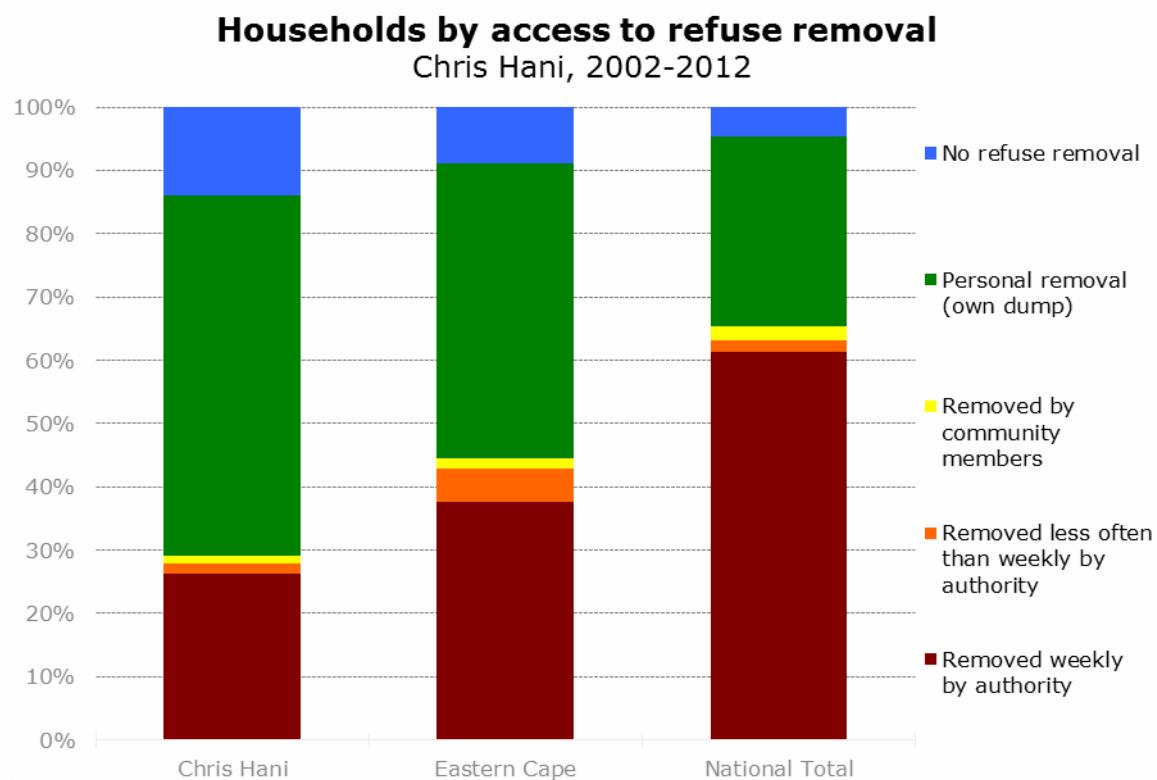
When looking at the number of households with no electrical connection over time, it can be seen that in 2002 the households without an electrical connection in Chris Hani District Municipality was 97 900, this decreased annually at -6.20% to 51 600 in 2012.

7.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuse is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 47. HOUSEHOLDS BY REFUSE DISPOSAL - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012
[PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality had a total number of 56 100 (26.18% of total households) households where the refuse is removed weekly by the authority, a total of 3 500 (1.64% of total households) households where the refuse is removed less often than weekly by the authority and a total number of 122 000 (57.00% of total households) households that remove refuse personally (own dump).

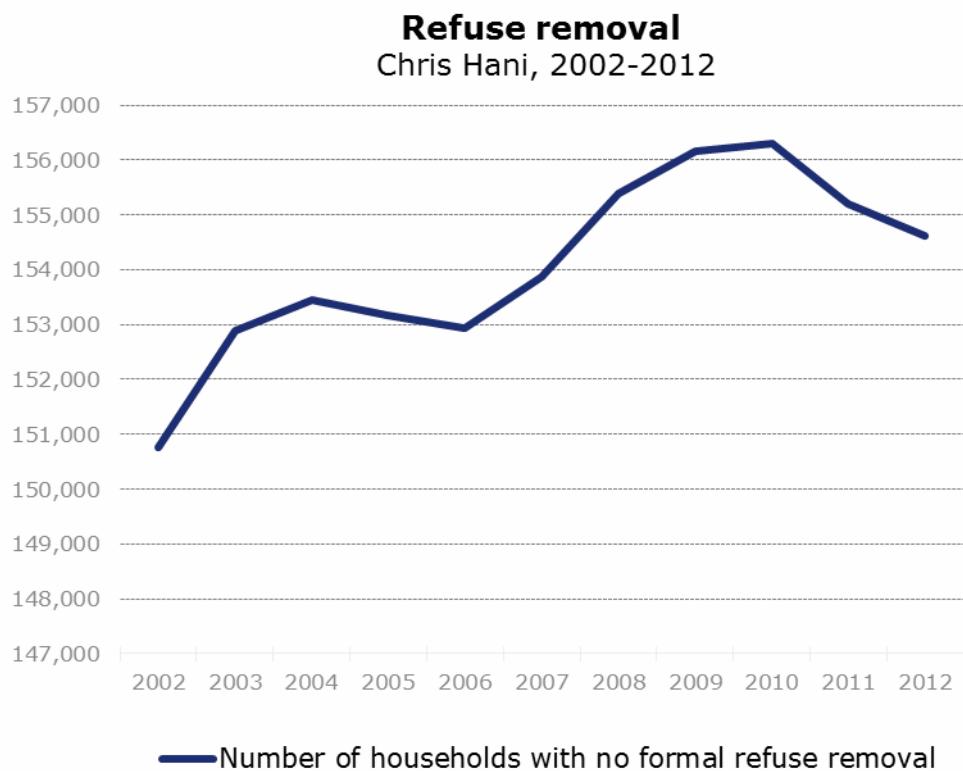
TABLE 45. HOUSEHOLDS BY REFUSE DISPOSAL - LOCAL MUNICIPALITY OF CHRIS HANI, 2012 [NUMBER]

	Inxuba Yethemb a	Tsolwan a	Inkwanc a	Lukan ji	Intsik a	Emalahle ni	Engcob o	Sakhisizw e	Total Easter n Cape
Removed weekly by authority	15,196	2,020	4,780	27,726	872	2,231	1,013	2,252	56,090
Removed less often than weekly by authority	674	277	189	1,020	292	299	366	386	3,504
Removed by community members	398	57	35	472	459	478	381	388	2,668
Personal removal (own dump)	2,536	6,715	979	21,192	28,724	23,544	27,046	11,381	122,117
No refuse removal	416	329	103	2,294	9,510	5,884	8,807	2,501	29,844
Total	19,220	9,398	6,087	52,704	39,857	32,436	37,613	16,908	214,223

Source: IHS Global Insight Regional eXplorer version 700

The local municipality with the highest number of households where the refuse is removed weekly by the authority is Lukanji Local Municipality with 27 700 or a share of 49.43% of the households where the refuse is removed weekly by the authority within Chris Hani. The local municipality with the lowest number of households where the refuse is removed weekly by the authority is Intsika Yethu Local Municipality with a total of 872 or a share of 1.55% of the total households where the refuse is removed weekly by the authority within Chris Hani.

CHART 48. REFUSE REMOVAL - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: IHS Global Insight Regional eXplorer version 700

When looking at the number of households with no formal refuse removal, it can be seen that in 2002 the households with no formal refuse removal in Chris Hani District Municipality was 151 000, this increased annually at 0.25% to 155 000 in 2012. The total number of households within Chris Hani District Municipality increased at an average annual rate of 1.22% from 2002 to 2012, which is higher than the annual increase of 2.07% in the number of households in South Africa.

8. Social Infrastructure

Social infrastructure is a subset of the infrastructure sector and typically includes assets that accommodate social services. Examples of social infrastructure assets include schools, universities, hospitals, prisons and community housing. Social infrastructure does not typically extend to the provision of social services, such as the provision of teachers at a school or custodial services at a prison.

8.1 Healthcare facilities

Definition: A healthcare facility is, in general, any location at which medicine is practiced regularly.

Medical facilities range from small clinics and doctor's offices to emergency medical centres and large hospitals with elaborate emergency rooms and trauma centres. The healthcare facilities is summed in to categories:

- **Private facilities** – all facilities that is for-profit this includes private hospitals and private clinics. The not-for profit facilities also forms part of the private facilities, but is only non-medical sites.
- **Public facilities** – this includes general provincial facilities, provincial emergency services and any other department facilities

There is a total of 8252 healthcare facilities in South Africa, 6575 is in the hands of the government and 1677 in the private sector. The Eastern Cape has a total of 1359 healthcare facilities.

TABLE 46. NUMBER OF HEALTH FACILITIES IN CHRIS HANI DISTRICT MUNICIPALITY, 2011

Type	Number of health facilities			Number of health facilities per 100,000 people		
	South Africa	Eastern Cape	Chris Hani DM	South Africa	Eastern Cape	Chris Hani DM
Private facilities	1,677	86	1	3.2	1.3	0.1
Public facilities	6,575	1,273	233	12.6	19.2	29.0
Total	8,252	1,359	234		20.4	29.1
				15.8		

Source: Health Information Systems Programme (HISP)

The Chris Hani District Municipality has 17.2% of the total public facilities in the Eastern Cape Province and 2.8% of the South African total public facilities. In South Africa there is a total of 15.8 healthcare facilities for every 100,000 people, in the Eastern Cape a total of 20.7 healthcare facilities. In Chris Hani District Municipality a total of 29.1 healthcare facilities are available for every 100,000 people.

TABLE 47. NUMBER OF HEALTH FACILITIES IN CHRIS HANI DISTRICT MUNICIPALITY, 2012

2012	Total
Clinic	149
Community Health Centre	7
Correctional Centre	5
Crisis Centre	2
District Hospital	14
EMS Station	16
Mobile Service	33
Non-medical Site	1
Private Hospital	1
Provincial Tertiary Hospital	5
Psychiatry Service	1
Total	234

*Source: Health Information Systems
Programme (HISP)*

The above table is a breakdown of the type of healthcare facilities in the Chris Hani District Municipality. The number of private facilities in Chris Hani District Municipality amounts to only 1, where there is one non-medical site. The medical care in Chris Hani District Municipality is largely built on public facilities, amounting to 233 or 99.5% of the total. The clinical services are the most with 149 clinics of the 234 healthcare facilities all over the Chris Hani District Municipality.

The number and quality of medical facilities in a country or region is one common measure of that area's prosperity and quality of life.

8.2 Educational services

Definition: Educational services in an economy consist of many components, for the purpose of this report we will use the following indicators to summarise the educational services:

- **Total learners** – the number of learners actively participating in education.
- **Total educators** – the number of educators or teachers part of the education.
- **Number of facilities** – all the facilities or schools used for the education.

The following is an overview of the educational services and statistics of the Chris Hani District Municipality. The total learners, total educators or teachers and number of schools are summed up from over the last 3 years.

TABLE 48. EDUCATION INFRASTRUCTURE - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2012

	Total Learners			Total Educators			Number of Schools
	2010	2011	2012	2010	2011	2012	2012
Emalahleni Local Municipality	43,626	40,814	40,761	1,658	1,642	1,600	180
Engcobo Local Municipality	58,558	55,764	53,969	1,846	1,835	1,796	169
Inkwanca Local Municipality	5,893	5,917	5,980	185	166	177	11
Intsika Yethu Local Municipality	63,996	57,645	54,652	2,443	2,402	2,353	250
Inxuba Yethemba Local Municipality	15,301	15,479	15,608	523	523	517	46
Lukanji Local Municipality	55,478	53,171	53,544	2,042	2,008	1,980	171
Sakhisizwe Local Municipality	19,906	18,738	18,284	745	724	686	71
Tsolwana Local Municipality	10,696	10,208	10,425	413	386	394	42
Total	273,454	257,736	253,223	9,855	9,686	9,503	940

Source: EMIS - Department of Basic Education

The number of learners in Chris Hani District Municipality amounts to 253 223 in 2012 this decreased with an average annual rate of 3.77% since 2010. Intsika Yethu Local Municipality decreased the most with an average annual growth rate of -7.59% since 2010 while Inxuba Yethemba Local Municipality increased the most with an average annual growth rate of 1.0%

9. Tourism

Tourism can be defined as the non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

9.1 Trips by purpose of trips

Definition: As defined by the United Nations World Tourism Organisation (UN WTO), a trip refers to travel, by a person, from the time they leave their usual residence until they return to that residence. This is usually referred to as a round trip. IHS likes to narrow this definition down to overnight trips only, and only those made by adult visitors (over 18 years). Also note that the number of "person" trips are measured, not household or "party trips".

The main purpose for an overnight trip is grouped into these categories:

- Leisure / Holiday
- Business
- Visits to friends and relatives
- Other (Medical, Religious, etc.)

TABLE 49. NUMBER OF TRIPS BY PURPOSE OF TRIPS - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012
[NUMBER & PERCENTAGE]

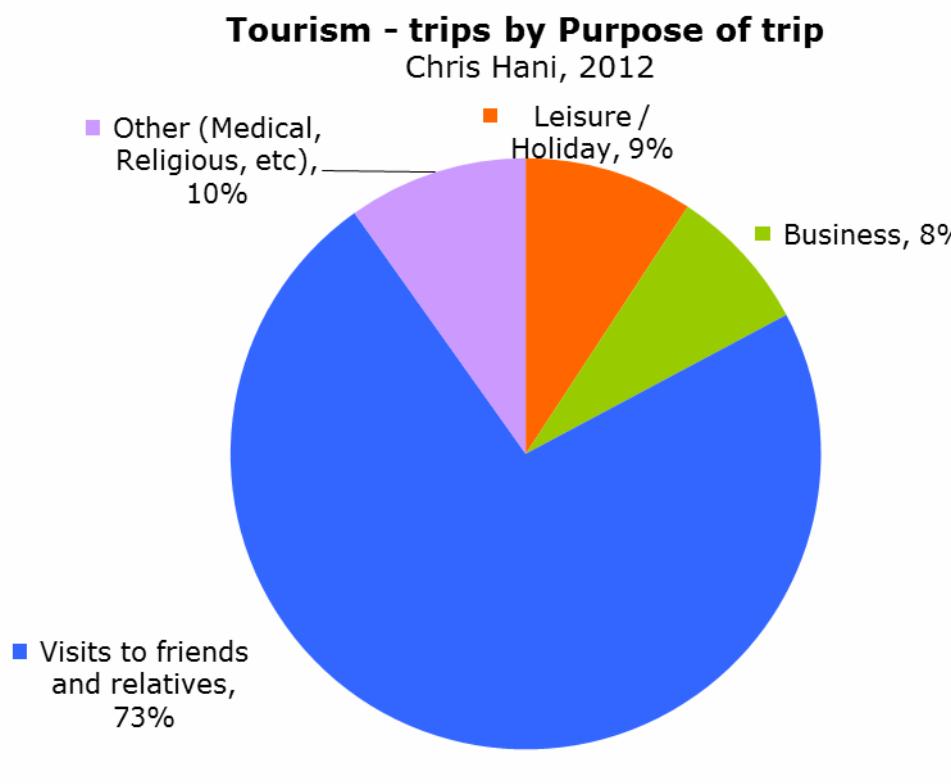
	Leisure / Holiday	Business	Visits to friends and relatives	Other (Medical, Religious, etc)	Total
2002	38,765	27,185	283,803	42,643	392,395
2003	38,347	30,333	325,035	44,891	438,605
2004	33,968	28,277	316,654	42,699	421,598
2005	33,136	25,226	302,285	39,262	399,909
2006	36,327	26,087	311,051	38,197	411,662
2007	43,193	29,062	333,201	40,180	445,636
2008	47,315	29,896	347,744	40,167	465,121
2009	50,775	29,062	370,061	39,528	489,425
2010	46,772	26,764	331,281	37,538	442,356
2011	36,947	23,413	257,171	32,161	349,693
2012	25,024	21,560	197,366	26,667	270,617
					Average Annual growth
2002-2012	-4.28%	-2.29%	-3.57%	-4.59%	-3.65%

Source: IHS Global Insight Regional eXplorer version 700

In Chris Hani District Municipality, the Business, relative to the other tourism, recorded the highest average annual growth rate from 2002 (27 200) to 2012 (21 600) at -2.29%. Visits to friends and relatives recorded the highest number of visits in 2012 at 197 000, with an average annual growth rate of -3.57%. The tourism

type that recorded the lowest growth was Other (Medical, Religious, etc) tourism with an average annual growth rate of -4.59% from 2002 (42 600) to 2012 (26 700).

CHART 49. TRIPS BY PURPOSE OF TRIP - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

The Visits to friends and relatives at 72.93% has largest share the total tourism within Chris Hani District Municipality. Other (Medical, Religious, etc) tourism had the second highest share at 9.85%, followed by Leisure / Holiday tourism at 9.25% and the Business tourism with the smallest share of 7.97% of the total tourism within Chris Hani District Municipality.

9.2 Origin of Tourists

In the following table, the number of tourists that visited Chris Hani District Municipality from both domestic origins, as well as those coming from international places, are listed.

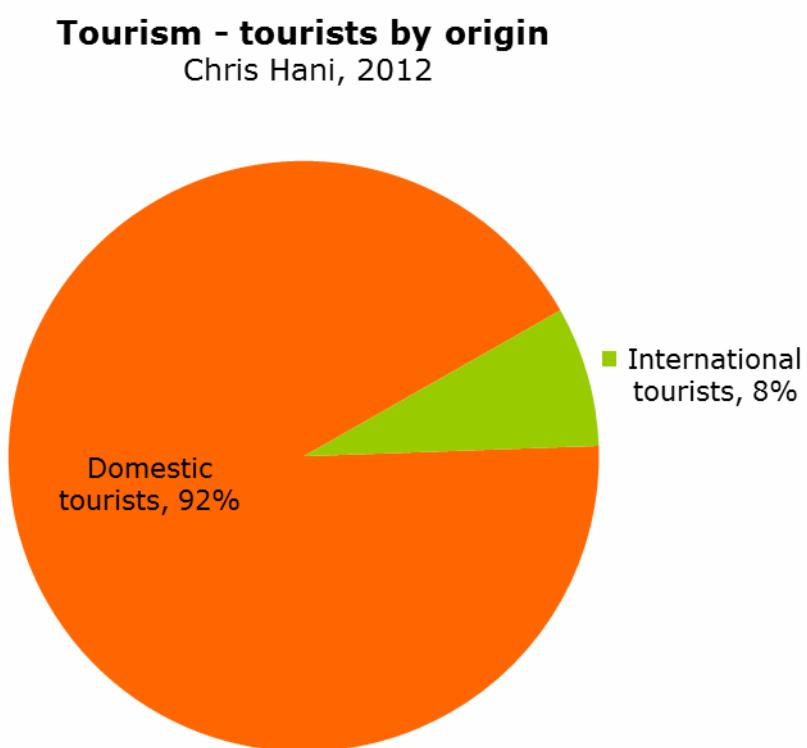
TABLE 50. TOTAL NUMBER OF TRIPS BY ORIGIN TOURISTS - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2002	370,504	21,892	392,395
2003	416,883	21,722	438,605
2004	399,199	22,400	421,598
2005	375,718	24,192	399,909
2006	385,479	26,183	411,662
2007	419,403	26,233	445,636
2008	440,546	24,575	465,121
2009	465,867	23,559	489,425
2010	418,048	24,308	442,356
2011	326,054	23,638	349,693
2012	249,855	20,762	270,617
2002-2012		Average Annual growth -3.86%	-0.53% -3.65%

Source: IHS Global Insight Regional eXplorer version 700

The number of trips by tourists visiting Chris Hani District Municipality from other regions in South Africa has decreased at an average annual rate of -3.86% from 2002 (370 000) to 2012 (250 000). The tourists visiting from other countries decreased at a average annual growth rate of -0.53% (from 21 900 in 2002 to 20 800). International tourists constitute 7.67% of the total number of trips, with domestic tourism representing the balance of 92.33%.

CHART 50. TOURISTS BY ORIGIN - CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700



9.2.1 Bednights by origin of tourist

Definition: A bed night is the tourism industry measurement of one night away from home on a single person trip.

The following is a summary of the number of bed nights spent by domestic and international tourist within Chris Hani District Municipality between 2002 and 2012.

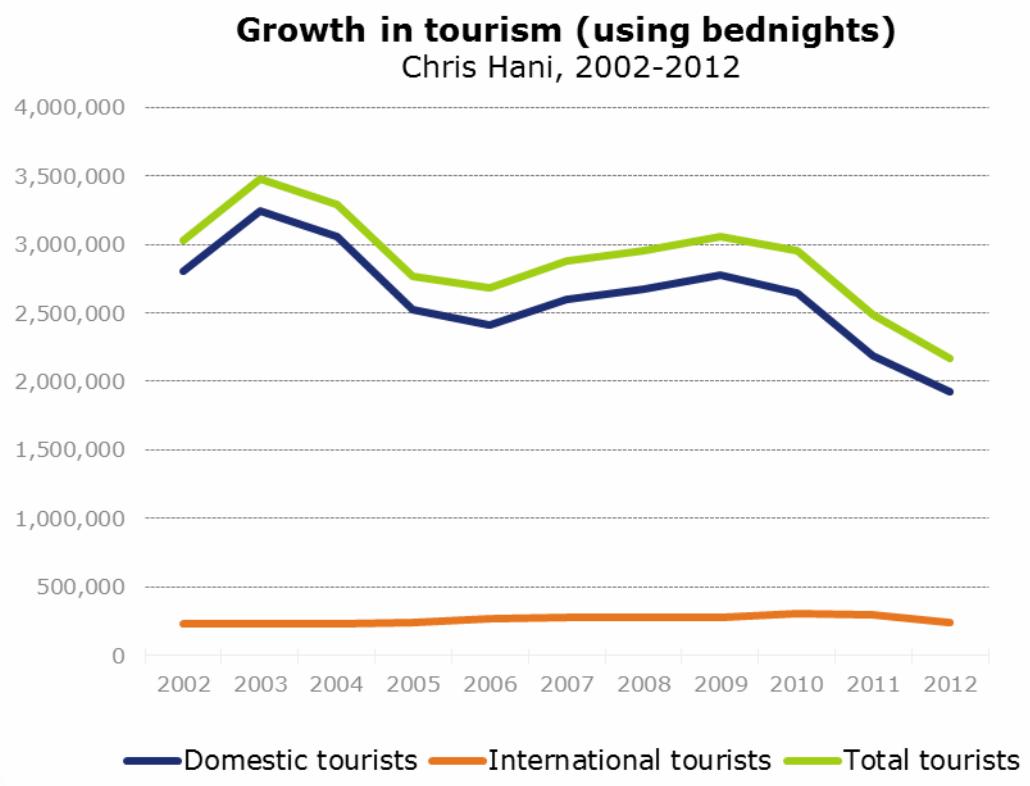
TABLE 51. BEDNIGHTS BY ORIGIN OF TOURIST - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER]

	Domestic tourists	International tourists	Total tourists
2002	2,802,162	230,720	3,032,882
2003	3,245,165	228,998	3,474,163
2004	3,059,618	228,871	3,288,489
2005	2,523,968	243,249	2,767,217
2006	2,415,593	269,723	2,685,317
2007	2,593,855	280,615	2,874,470
2008	2,672,914	282,357	2,955,271
2009	2,778,637	282,339	3,060,976
2010	2,648,084	305,054	2,953,138
2011	2,184,138	297,915	2,482,053
2012	1,921,093	242,584	2,163,677
Average Annual growth			
2002-2012	-3.70%	0.50%	-3.32%

Source: IHS Global Insight Regional eXplorer version 700

From 2012 to 2002, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -3.70%, while in the same period the international tourists had an average annual increase of 0.50%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -3.32% from 3.03 million in 2002 to 2.16 million in 2012.

CHART 51. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 700

9.3 Tourism spending

Definition: In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account.

It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 52. TOTAL TOURISM SPENDING - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [R BILLIONS, CURRENT PRICES]

	Chris Hani	Eastern Cape	National Total
2002	0.6	7.5	83.3
2003	0.7	9.2	95.5
2004	0.7	8.9	95.8
2005	0.7	8.9	103.9
2006	0.8	10.6	119.2
2007	1.0	12.6	134.3
2008	1.1	14.5	146.9
2009	1.1	14.6	146.1
2010	1.3	17.0	168.5
2011	1.1	15.2	173.8
2012	1.0	13.6	165.4
Average Annual growth			
2002-2012	5.39%	6.11%	7.10%

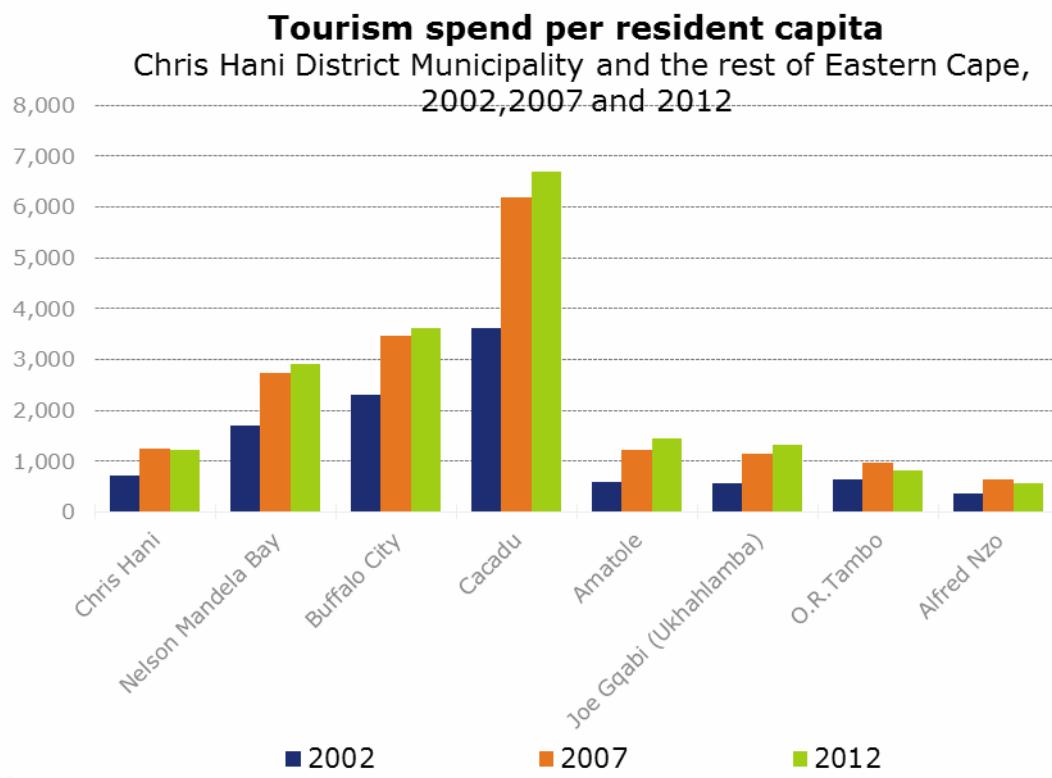
Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality had a total tourism spending of R 974 million in 2012 with an average annual growth rate of 5.4% since 2002 (R 576 million). Eastern Cape Province had a total tourism spending of R 13.6 billion in 2012 and an average annual growth rate of 6.1%. In terms of growth the Eastern Cape Province ranks second compared to the other regions. Total spending in South Africa increased from R 83.3 billion in 2002 to R 165 billion in 2012 at an average annual rate of 7.1%.

9.3.1 Tourism Spend per Resident Capita

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

CHART 52. TOURISM SPEND PER RESIDENT CAPITA - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2002,2007 AND 2012 [R THOUSANDS]



Source: IHS Global Insight Regional eXplorer version 700

In 2012, Chris Hani District Municipality had a tourism spend per capita of R 1,210 and an average annual growth rate of R 1,210, Chris Hani District Municipality ranked sixth amongst all the regions within Eastern Cape in terms of tourism spend per capita. The district municipality that ranked first in terms of tourism spend per capita is Cacadu with a total per capita spending of R 6,680 which reflects an average annual increase of 6.34% from 2002. The district municipality that ranked lowest in terms of tourism spend per capita is Alfred Nzo with a total of R 575 which reflects an increase at an average annual rate of 4.41% from 2002.

9.3.2 *Tourism Spend as a Share of GDP*

Definition: This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 53. TOTAL SPENDING AS % SHARE OF GDP - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL,
2002-2012 [PERCENTAGE]

	Chris Hani	Eastern Cape	National Total
2002	10.9%	8.3%	7.1%
2003	11.9%	9.1%	7.5%
2004	10.4%	7.9%	6.8%
2005	9.7%	7.3%	6.6%
2006	10.7%	7.9%	6.7%
2007	11.7%	8.4%	6.7%
2008	12.1%	8.6%	6.5%
2009	10.8%	8.0%	6.1%
2010	11.0%	8.4%	6.3%
2011	8.8%	7.0%	6.0%
2012	7.0%	5.8%	5.2%

Source: IHS Global Insight Regional eXplorer version 700

In Chris Hani District Municipality the tourism spending as a percentage of GDP in 2012 was 7.03%. Tourism spending as a percentage of GDP for 2012 was 5.77% in Eastern Cape Province, 5.24% in South Africa.

2.4 OVERVIEW OF KEY PERFORMANCE AREAS (KPA)

2.4.1 LOCAL ECONOMIC DEVELOPMENT

2.4.1.1 Introduction

Local economic development (LED) as a concept evolving around economic discipline draws from a range of academic fields and theories. LED has primarily established itself in the field of economics and regional or spatial sciences. The field has also been influenced by sociology, political science, business science and to some extent agricultural sciences. While LED is constantly evolving through trial and error it does revolve around a number of central ideas or themes that are based on the historic model of Meier (2001). Such themes include governance, development, economic growth, location, policy and LED strategies and programmes. Each of the theme's theoretical basis is found in either economics, spatial sciences, sociology, political science, business science or a combination there-of.

The White Paper on Local Government¹ (1998) introduces the concept of “developmental local government” which is defined as: “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.” However the same document makes it clear that:

Local Government is not directly responsible for creating

jobs.
that
are

*Rather, it is responsible for taking active steps to ensure
the overall economic and social conditions of the locality
conducive to the creation of employment opportunities.”*

“LED is the process by which public, business and NGO sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all.”

World Bank Definition

Thus, local economic development is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The White Paper goes on to state that:

“The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy.”

Development goals therefore primarily focus on ensuring that the community members live a long and healthy life, have access to education and maintain a decent standard of living. While not primarily tasked with employment creation, local government is responsible for ensuring that economic conditions are favourable for economic growth which will lead to employment creation. The robust economic growth experienced in developing counties during the 1990s coincided with strong employment growth.

The **National Framework for LED** then sets out a clear framework and specific objectives to guide Local Economic Development.

a. Economic Development Principles

There are various different approaches to local economic development

The position taken by the Chris Hani Regional Economic Development Strategy is that the government, unless it expands the public service, does not create jobs and that government's primary responsibility is to:-

- ✓ *Improve the socio-economic support to prepare people to take up economic opportunities;*
- ✓ *continuously improve the enabling environment by minimising red tape and the transaction cost of doing business, and*
- ✓ *Create an enabling environment for new investment as well as the retention and expansion of existing business.*

b. Drivers of economic growth in our province

Our economic development planning is informed partly by the NSDP (National Spatial Development Perspective) which advocates the following expenditure principles:

- Focus economic growth and employment creation in areas where this is most effective and sustainable as economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Foster development on the basis of local potential by ensuring that government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities) is focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Address past and current social inequalities by focusing on people not places so that in localities where there are high levels of poverty and development potential capital investment expands beyond basic service provision to exploit the potential. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence to enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- Overcome the spatial distortions of apartheid by channeling future settlement and economic development opportunities into activity corridors and nodes that are adjacent to or link the main growth centres to create regional gateways to the global economy.

The NSDP categorization gives Chris Hani District Municipality low to medium resource potential, low human need and low economic activity thereby implying that the District should focus on the provision of basic infrastructure but increase expenditure on social infrastructure and particularly on human resource development.

The Provincial Growth and Development Plan (PGDP) advocates the “Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to

- Pro-poor programming.
- Agrarian transformation and strengthening of household food security.
- Consolidation, development and diversification of the manufacturing base and tourism potential”.

These objectives are realised through the support of the three foundation objectives of infrastructure development, human resource development and public sector and institutional transformation.

The PGDP goes further to highlight areas of potential developmental activity in the Eastern Cape Provincial Spatial Development Plan (PSDP) which in the Chris Hani District Municipality are the:

- Friendly N6 and Maluti routes
- Conservation of Forests in Engcobo Local Municipality
- Potential for Coal Mining at Indwe, Emalahleni Local Municipality
- Industrial potential of Queenstown
- Karoo heartland i.e. Cradock and Middelburg
- Potential for Agriculture

The Province has since identified the following High Impact Priority Projects (HIPPs).

Economic growth and Infrastructure cluster.

- Infrastructure development
- Umzimvubu Catchment Basin
- Agricultural beneficiation & forestry

Social Needs Cluster.

- Scaling-up Prevention and Treatment of HIV/AIDS
- Community Mobilisation Against Crime

Governance and administration Cluster

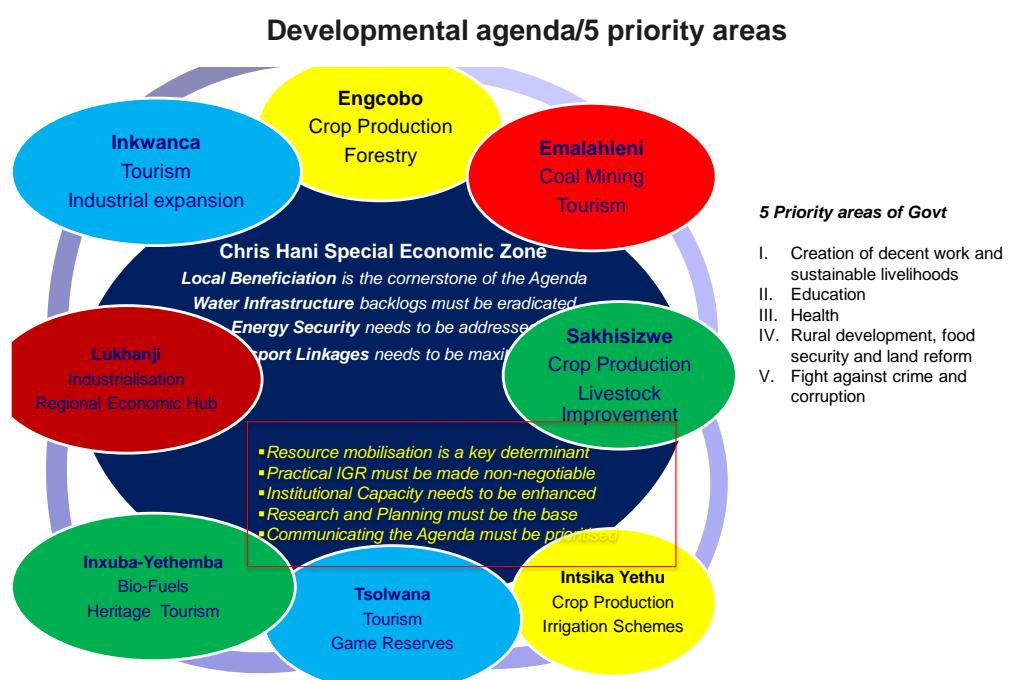
- Strategic skills Project (NSF)
- Financial Viability for local government
- Planning , monitoring and evaluation

c. Regional Economic Development Strategy in the Chris Hani District Municipality

The CHDM Local and Regional Economic Development Strategy was developed in 2009, the Strategy was reviewed and adopted by Council in the 2013/14 financial year , through an intensive consultative process with the participation of key stakeholders from the public and private sectors and civil society informed by current agreements, District, Provincial and National policy positions and plans, and relevant legislation.The strategy is supposed to be reviewed bi-annually so as to conform to changing circumstances. Particular emphasis has been placed in the 2006 Growth and Development Summit (GDS) agreement in the formulation of this strategy. The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities. In an attempt to follow up and give the way forward on the resolutions of both the Chris Hani District Municipality’s Growth and Development Summit, as well as Water and Rural Development Summit , the Agricultural Indaba was held on the 24th and 25th of February 2011.

Amongst other things, the Indaba sought to facilitate a set of solutions to improve planning and coordination that would result in a vibrant agricultural sector in the district. CHREDS has to further incorporate the SEZ Concept which the district has followed.

The Chris Hani District Municipality developed and adopted a District Development Agenda that focuses on the development of all its 8 local municipalities through the identification of competitive advantages of its local municipalities. This was later translated into an Agro Industrial Plan that has been used as a spring board to the proposed Special Economic Zone. As part of that process the Coega Development Corporation was commissioned to conduct a feasibility study to ensure that the future plans, productive capacity and economies of scale of each LM are properly captured and articulated to inform the establishment of the clusters. Further to the above attempts towards the advancement of the Agrarian and Rural Development in the region, Chris Hani District Municipality has adopted a “Developmental Agenda” that seeks to guide development in its area of jurisdiction. This explained by a slide below and covers the eight local municipalities within the district.



To further emphasise the importance economic development the institution held an Investment summit by May 2013 which was focussing on ensuring measurable economic growth and creation of a substantial number of jobs in the CHDM area.

As the perfect showcase of business and growth opportunities, CHDM Investment Summit was to facilitate encounters between investors, government, business sector and relevant development finance institutions at all levels, and highlight bankable projects and investment packages. The Summit assisted in providing opportunities for private sector engagement, focusing on key development areas (as specified in the Chris Hani Developmental Agenda, with the goal of making a real impact on job creation and poverty alleviation. The highlights include a road map of how constraints hampering development are to be overcome by government and private sector, and strategies to improve competitiveness of key economic sectors through taking advantage of the strategic endowments of the District.

Chris Hani Regional Development Strategy provides focused areas around which resources can be leveraged and mobilised in order to contribute to the broad overall objective of ensuring that all people in the district are able to benefit from the economy.

i. Agricultural Sector as Competitive Advantage of the District

The achievement of sustained economic growth and development and the creation of a competitive advantage for the District rely absolutely on the prioritisation of interventions which will have the greatest impact both socially and economically.

The Competitive Advantage therefore for the district points to the broadly defined agricultural sector as the one with the most potential to contribute to job creation, promoting of livelihoods opportunities and contributing to sustained social and economic growth and development.

The prioritisation of a particular sector implies:

- Dedicated allocation of resources
- Strategic decisions on the distribution of limited resources and funds
- Clear publicly stated focus
- Spin off benefits for other sectors
- Prioritisation within the sector

The two sub-sectors within the broadly defined Agriculture sector that have the strongest comparative advantage and which are best positioned to result in job creation and improvement in livelihood opportunities are:

- Timber production and processing
- Livestock production and processing



Whilst crop production and agro-processing sector remain important areas of intervention within the District, the present cost of transport to high volume markets will most likely render local production uncompetitive until substantial economies of scale and consistent quality can be achieved.

Furthermore, the current business model of irrigation schemes has been reviewed (CHDM, in partnership with the Provincial Department of Agriculture and Rural Development through its agency ECRDA has developed a comprehensive business plans for the irrigation schemes) in order to ensure the establishment of professional management, encouragement of entrepreneurship, and inclusion of integrated business development support. This sector is of political significance and has the potential to contribute to regional food security, service local markets and social development. This remains an important strategic area of focus for the CHDM and requires a detailed and specific intervention.

The **timber and livestock production** and processing sub-sectors are **already positioned** to significantly contribute to the economic growth and development of the District. These two sub-sectors **require "special" attention** and are to become the focus of a special purpose vehicle or a **regional economic development agency**.

ii. Corridors, value chain integration and cluster development

The CHDM REDS has adopted a specific approach which is integral to its regional economic development. The first component of this approach is that of **Corridor Development**. The second component is that of **Value Chain Integration**, and the third that of **Cluster Development**. It is important to recognise how these approaches differ and how these relate to one another.

2.4.2 CORRIDOR DEVELOPMENT

The Concept Paper on LED Multi-Sector Based Corridor and Value Chain Addition which was developed in 2009. It has been able to come up with a contextual definition of the Corridor Development and Value Chain Addition where it has defined as: “The LED corridor plans is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province. The LED Corridor Multi-Sector approach is expected to be supported by Value Chain Addition Programmes aimed at creating marketing edge with sound Corridor Projects”. However the concept document has also managed to further define the approach makes it clear that:

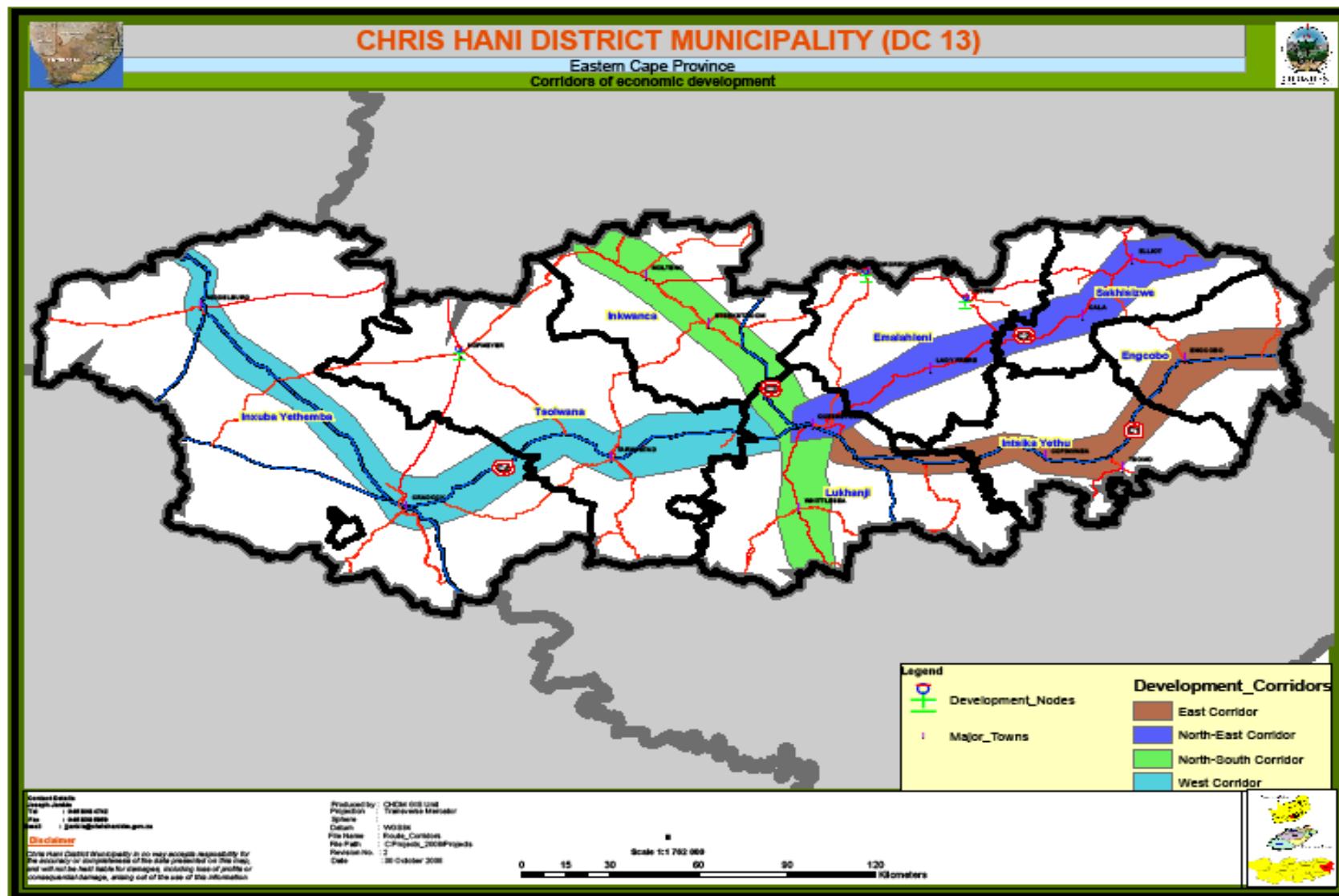
“The purpose of the LED Multi-Sector Based Corridors approach is to support CHDM, during IDP processes, REDS and LEDS in their endeavors to facilitate an enabling socio-economic environment for the eight local municipalities that will unlock the economic potential of the communities or wards within the District.

This will go a long way in income generation and job creation, premised on changing the lives of the citizens for better.”

CHDM is committed to a corridor development approach. Integral to this approach is a focus on geographic and spatial initiatives and interventions which link the node towns and small towns surrounding these nodes in an integrated economic development process. Small town regeneration initiatives are central to this approach.

The Walter Sisulu (**East**) Corridor outlined in brown on the map below runs along the R 61 and links Ngcobo, Cofimvaba and Tsomo to Queenstown. The Bathandwa Ndondo (**North-East**) Corridor links Elliot, Cala and Lady Frere to Queenstown. The Calata (**West**) Corridor links Middelburg to Cradock along the N10 and then links Cradock, Tarkastad to Queenstown along the R61. The Friendly N6 (**North –South**) corridor links Whittelsea to Queenstown and Molteno.

One of the main objectives of the corridor development approach is to ensure integration and alignment of economic development plans with spatial development plans, land use plans, infrastructure development plans and other relevant sector plans. It allows CHDM to implement a wide range of generic and routine LED initiatives, whilst simultaneously focusing on the defined area of strategic differentiation and the concept of value chain integration.



2.4.2.1 Value Chain Integration

Value chain integration implies looking at all the components of a particular sector and subsector and identifying what can be done or put in place to add value to what already exists, and in doing so, promote job creation and provide more livelihood opportunities.

The timber production value chain is predominantly located within the North Eastern Corridor and the North West Corridor. Timber value adding activities are predominantly located in Queenstown, with potential for early gaps in the value chain (e.g. sawmills, treatment, processing of waste, etc) to be strengthened and/or established within towns along the two defined corridors.

The livestock value chain extends across all corridors in the District, with particular points of focus around the strengthening / establishment of strategically located public goods investments (e.g. abattoirs, tanneries and other value adding facilities).

Value chain analysis can be used to identify “gaps” in a locality or along a corridor in order to make strategic decisions about what interventions to implement (or what not to implement).

The value chain integration approach is particularly important in the development of a competitive advantage for the district and in the understanding of the need to make strategic decisions to allow the district to competitively position itself nationally and globally. Choices then arise as to whether to focus on trying to develop all the components of all the value chains or to focus on part of those value chains where one has a comparative advantage with the most potential to be converted into a competitive advantage.

2.4.2.2 Cluster Development

In order to build a regionally or globally competitive position it is necessary to determine in which part of each value chain one can compete and then relentlessly cluster in all the resources, competencies and technology that will be demanded from everyone who can add value or influence moving forward to achieving the strategic intent. The cluster approach to develop focused and strategically located value chains may well provide the momentum needed to begin the rebuilding and rejuvenating of small towns within these municipalities.

2.4.3 Facilitation of Economic Development

The overall responsibility for the facilitation of economic development lies with the District Municipality. The key issues as identified by the REDS were identified through a consultative process include:

- i. Building on sector specific comparative advantages
- ii. Creation of an enabling environment
- iii. Corridor development
- iv. Regular, mandatory and opportune economic development functions

2.4.4 SMALL MEDIUM AND MICRO ENTERPRISES

A Stats-SA Survey (March 2001) found that about 9% (209 000) of all businesses in SA, mostly black or PDI are in the Eastern Cape. The survey further uncovered that women entrepreneurs in the EC outnumbered men by almost three to one in the province – a figure well above the national average. The survey's findings also confirmed that of the 209 000 small businesses, 126 000 were based in rural areas of the Eastern Cape (Programme of Support for LED in the Eastern Cape, 2004).

Small and medium enterprises have a significant contribution (collectively 29%) to the provincial economy as opposed to informal and micro businesses (collectively 6%) in the Eastern Cape. The same scenario prevails in terms of employment contribution by both the small and medium-sized enterprises (collectively 37%).

Estimates suggest that there could well be more than 30 000 small business operators. The majority of businesses are owner-managed or sole proprietors with few business partnerships particularly in the rural areas (ECMAC Database 2005). However, there has been an increase in the number of cooperatives being established as part of government's drive to promote the cooperatives movement. More than 50% of the small businesses have been in existence for more than 5 years which demonstrates resilience by local enterprises.

More than half of the enterprises are in the trade sector, followed by community, social and personal services sector businesses. Catering and accommodation represents a third sector with a relatively high level of commercial activity in terms of district entrepreneurship.

Few enterprises are involved in commercial agriculture despite the numerous agriculturally based poverty alleviation projects being supported by the ISRDP programme. The majority of businesses fall within the micro and small business categories in terms of turnover levels and employ an average of 7.5% employees (Local Business Enabling Environment Study 2007).37% of business owners are between the age group of 30 – 39 years with those under 30-years only making 13% of local businesses (Local Business Enabling Environment Study 2007).

2.4.4.1 The SMME business environment within Chris Hani

As depicted on the situation analysis of the district, In general the area lacks business support services as business people have to either travel to Queenstown or outside the municipal area to access business support services. Lukhanji has the most developed business environment as the area is the main urban centre of the district and its primary economic node.

SMMEs face a swathe of constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles; and in some cases, the tax regime (Annual Small Business Review, 2001). The District developed its own SMME Development Strategy in 2007 in an attempt to address the mentioned constraints which was last reviewed in 2010. The SMME Strategy is being developed from scratch as we feel it does not address the current issues of the area and will be adopted by council within 2014-2015 financial years.

The District's Growth and Development Summit (**GDS**) held in 2006 was a historic milestone to strengthen private-public dialogue and commitment to a shared pro-poor economic and investment growth path for the district. One of the key and relevant resolutions taken at the GDS relate to the establishment of a fully representative district-wide business forum, with various local business forums in each local municipality set up to allow dialogue between the public and private sectors that would act as a single interface to lobby advice and partner government to further common course. To further strengthen the GDS the municipality is planning to conduct the follow up session on GDS resolution taken so as to track commitments made. The Chris Hani District Business Forum has been established as that structure with seven local business forums out of the eight local municipalities in the District.

The government identified the development of cooperatives as one of its flagship programmes to develop the second economy that supports the majority of the population in as far as creating jobs, increasing household income, reducing poverty, and improving the overall standard of living is concerned. It was for this reason that the District actively supported and facilitated the establishment of the Chris Hani District Cooperative Forum in November 2008 and by extension the eight local cooperative forums that exist in the district. The District also assisted with strong financial support in the coordination of a three day cooperative indaba that was held in June 2009. The indaba was characterized by interactive seminars and commissions on a variety of subjects affecting the development of cooperatives. The cooperatives were also exposed to a variety of funding, procurement, marketing, networking and other opportunities.

The SMME and Cooperatives Business Development programmes were created to, among other things, promote the development of sustainable SMMEs and Cooperatives, thereby increasing the number and variety of economic enterprises operating in the formal economy and to create jobs. To this end, R2 425 494.00 was granted to SMMEs and cooperatives and 376 jobs were created during the period 2011/12 and 2012/13 financial years (2 years).

The Chris Hani District Municipality (CHDM) has partnered with the Metropolitan SMME Portal which is involved in the development of SMMEs. This organization has hosted annual SMME business imbizos in the district since 2009. The District sees these Business Imbizos as an opportunity to showcase the existing opportunities, while further capitalising on network vehicles to unleash the economic potential of the District. Through information dissemination at various fora, the District is ably positioned to promote strategic support to the business fraternity under its jurisdiction. These SMME Portal Business Imbizos have been portrayed as a vehicle that promotes dialogue between business and government, the private sector, parastatals and linking SMMEs to opportunities and development agencies.

The CHDM has always viewed itself as an important node to synergising, coordinating, and aligning with various actors who invest and contribute in other ways to business development efforts. This is the main reason for CHDM's participation in these Imbizos. It is hoped that the Imbizos, amongst other things, will address the poor economic activity within the District. They will also assist in strengthening the skills and business structures of the SMMEs, allowing them to become sustainable and in a better position to tender on private sector and public sector contracts.

CHDM together with the Border Kei Chamber of Business got into a joint initiative in late 2009 to establish the Chris Hani Enterprise Propeller (CHEP) with financial support from Thina Sinako. This came after the realization that in the District more than R2.5 billion is spent annually on goods and services but 80% of this amount is estimated to be leaving the District. This is due to the fact that local suppliers, possibly, do not have the relevant skills or are inadequately capacitated to successfully apply for tenders. CHEP is there to support emerging and established enterprises in the District to compete more effectively for tenders by providing them with quality business advice, information and mentoring services, and facilitating more effective linkages between them.

2.4.5 AGRICULTURAL DEVELOPMENT

Agriculture forms one of the key potential growth sectors in the CHDM. The Integrated Agricultural Strategy was developed in 2008 and due to some development was further reviewed and to be adopted by council before end of the current financial year 2016/2017. It prioritised the following sectors for investment:

- Agro – processing e.g. cheese production
- Livestock farming particularly Goats and Cattle
- High Value crop production e.g. hydroponics and bio-fuels
- Advantage of Irrigation schemes

Livestock farming is an important source of income for both commercial and communal farming. The western part of the region is increasingly turning to game farming especially in the areas around Queenstown, Cradock, Tarkastad and Molteno. The District Municipality has engaged in partnerships with National Wool Growers Association (NWGA) to improve the quality of wool sheep, develop wool growers associations, train farmers on livestock and veld management and build appropriate infrastructure such as shearing sheds and fences. In the past financial year a number of Shearing sheds were built and completed at Intsika Yethu LM, Lukhanji and Engcobo municipalities.

Further partnerships with the Agricultural Research Council and Department of Agriculture and Rural Development have resulted in the construction of livestock handling facilities. ASGISA-EC (ECRDA) and TEBA Development are assisting with development of the livestock improvement programme by introducing the concept of Village Link Persons (VLPs) where community members received training in livestock handling and treatment, in certain areas where infrastructure is in good condition animals are introduced with the main aim of improving livestock quality (goats , sheep and cattle) , quality rams and provision of veterinary services.

The District Municipality has in the past financial year formed partnership with Zulukama Investment Trust , a community owned organisation with the main aim of improving livestock quality in 5 Villages in Hewu area.The programme was planned to run for a long period as the affected Institutions are expected to provide after care support.

The greatest challenge to livestock production remains low skills level, access to land, poor veld and livestock management, limited access to market, limited access to financial and credit access by emerging farmers due in part to insecure land tenure, limited mentoring and information from DoA and dilapidated and insufficient infrastructure such as roads, fencing, stock dams and dipping tanks.

Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. The District Municipality in collaboration with both the DARD and Emalahleni Local Municipality is involved in the Sorghum production programme in Emalahleni LM the main aim of this undertaking is to provide adequate raw material to the Mill Plant so as to maintain the project sustainability, DoA have prioritised these areas under the Massive Food Programme. The Siyazondla homestead food production programme assists with improving household food security. Under High Value Crop Production, the DM supported the pilot project for Hazel Nuts production at Glenbrook irrigation, partnering with ECDC and an Italian Company. The project was initiated by Agrisudafrica and Eastern Cape Development Corporation (ECDC) as a Community Development Project with contributions by various other role players including the Department of Agriculture and Rural Development (DARD).

The project is a pilot project for the evaluation of hazelnut production viability in the area with added value in the form of a successful vegetable business and training programme.

There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. A further 7600 ha could be placed under irrigation if the large Gariep Transfer Project were to be implemented. However there are vast areas of underutilised land within the existing schemes such as Shiloh where only 40% of the scheme is currently utilised. In addition to these schemes there are several large scale commercial farming enterprises.

Any future irrigation development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation such as drip irrigation which ensure that water evaporation is minimised.

CHDM and Department of Rural Development and Agrarian Reforms have prioritised irrigation schemes under their respective revitalisation and resuscitation programmes. Their collaborative efforts are focussed towards attracting investors to run the schemes under private, public partnerships.

Funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting and harvesting operations as well as equipment such as tractors, ploughs and trailers.

However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in independent and financially sustainable irrigation schemes although considerable progress has occurred.

There is a clear development approach being followed by CHDM and DARD in developing the irrigation schemes. The developments have started at Shiloh Irrigation Scheme (where a Dairy Enterprise has been established). The CHDM and DARD have co-funded the project in the 2009/10 financial year. The focus for 2010/11 & 2012-2013 financial year was on developing Ncora Irrigation Scheme. The focus for the 2013-2014 was on Qamata and Bilatye Irrigation Schemes. CHDM and DARD are also facilitating the development of comprehensive business plans (commissioned by ASGISA-EC now called ECRDA) for Ncora, Qamata and Bilatye Irrigation Scheme. The plans will assist in directing future developments in the schemes.

2.4.6 FORESTRY, TIMBER AND WOOD PRODUCTION

The Chris Hani District Municipality is richly endowed with a number of forest plantation resources. Most of these forest plantations are found in Intsika Yethu and Engcobo Local Municipalities and are owned by DAFF. There are also some woodlots and few hectares of category A plantations (Pine stands) in Sakhisizwe Municipality. The Forestry development in the district is informed by the Regional Development Strategy which highlights matters around forestry. Forestry Strategy has been developed for the first time as the area has potential and rich in forestry, Timber and Wood production, a service provider has been commissioned to develop the strategy and this was finalized by financial year 2014-2015 financial year and has yet to be adopted by June 2015.

Despite the existence of raw material, land for aforestation and market opportunities, the forestry sector in Chris Hani District Municipality remained uninspiring, with very little significance to and impact on the economy of the region. In order to address this and to take advantage of a number of opportunities that the sector presents, specifically in relation to SMME promotion and community empowerment , Chris Hani Municipality and the Local Municipalities have prioritized forestry as one of the sectors that are key to economic development of the region. The Wood Cluster programme was then proposed in the 2003-2004 financial year.

The situational analysis of the forest plantations and woodlots in Chris Hani District Municipality revealed that their management is poor. The operational costs of the forest plantations and woodlots far outweigh the income generated by these plantations. This, in other words, means that these forests are operated at a loss. The quality that is produced is not good. In order to address these issues, the strategy with the following components was proposed:

- Proper management of forest plantations
- Value adding processes.
- Investment promotion
- Meaningful empowerment of communities

- Continued monitoring and evaluation of the process to address the problem areas.
- Capacitation of the existing small sawmillers

The DTI co-funded the Sawmill project for the implementation plan development. A challenge of inadequate supply of raw material for this project is being investigated. The DTI conducted a special study on the sawmillers around Chris Hani on aspects of productivity, yields, issues of safety, technology and skills. Through the study it has been discovered that there is a need for skills development and technology upgrading to improve the productivity and competitiveness.

Since the DTI is starting a National Training Programme on small-scale sawmilling, the district municipality has been chosen as a pilot. The dti approached SEDA to conduct training for the Sawmillers on Co-operatives core principles and Business plan development. Training started in May 2010. SEDA is assisting on the registration of the sawmillers as primary Co-operatives.

A skills development programme was conducted by Forestry SETA at Engcobo charcoal project. The training started on 01 March 2010. The SETA introduced a New Venture Creation project (Business skills development programme). The CHDM has also piloted the project at Lukhanji Local Municipality since March 2010.

A number of projects were identified as the key pillars of the Forestry Strategy. Interventions in the form of feasibility studies, business plan development, skills development, workshops and establishment of Project steering committee have all been the build up to the implementation of the Chris Hani Forestry strategy, which together with the business plan were endorsed by the Council.

The local Municipalities have been consulted and brought on board in terms of the projects identified for their areas and programme to unfold in respect of the implementation of the projects.

Project beneficiaries and other relevant stakeholders have been brought on board and roles and responsibilities are outlined on individual projects.

Suppliers of services and products for the implementation of the projects have also been identified and some already approached to commence delivery. The projects that were identified are as follows:

- Sawmill project
- Aforestation programme
- Pole treatment plant
- Engcobo Charcoal Manufacturing project
- Sakhisizwe Charcoal manufacturing project
- Tree Nursery Project

Current progress on Charcoal Projects:

- (a) Engcobo Charcoal Manufacturing project :

Project has been registered as Spring Forest Trading cc.Two charcoal kilns have been installed, fencing of the site is still in progress, offices, stores and ablution structures have been ordered.

Project is operational as from 09 February 2009. 32 people are employed (Beneficiaries) and 1 project coordinator employed on 6 months contract for infrastructural development and skills transfer. Sasol has been brought on board to assist on market identification, skills development and value-chain establishment. Charcoal tests were done by SASOL and the results were 82% compliant. Training for the beneficiaries was conducted by the Forestry SETA on Charcoal production.

(b) Sakhisizwe Charcoal Manufacturing Project

The project has been started in August 2010. The purpose of the project is to fight alien vegetation. This in turn creates job opportunities through the Charcoal project. The Sakhisizwe project is still on the initial stages. It is not as fully functional as in the case of Engcobo project. However, the project will take the same form of Engcobo project in terms of operation and institutional arrangements.

2.4.7 CONSTRUCTION AND COAL MINING

The District has a high development profile in terms of the ISRDP nodal status. Its high infrastructure budget allocation presents opportunities for the establishment of a local construction industry and may enhance competitiveness by addressing critical shortcomings in economic infrastructure. The strong growth and development in public housing and construction comes with a huge demand for construction material such as clay and cement bricks. At present illegal brick making activities are prevalent throughout the district mainly to fulfill the demand of private construction needs. Due to low quality and illegal operations, these bricks cannot be used for public sector construction.

The PGDP has identified coal mining at Indwe and Molteno as a HIPPS project which is at Emalahleni Local Municipality. The exploitation of the Molteno/Indwe coalfields is currently being investigated to access their viability. A public private partnership company has been established with Elitheni. Prospective rights for the Indwe Coal Mines have begun and the results look promising. By 2008 the site was set up for the first blast and currently the coal is shipped to countries like Brazil. Coal Mining is doing very well as currently it has employed 149 people.

2.4.8 MANUFACTURING

Manufacturing represents a significant proportion of the CHDM economy at 8 % GGP and 5 % employment. Lukhanji municipality especially Queenstown has a small furniture, dairy processing and wood products industry and operates as the prime manufacturing centre of the District. Middelburg and Cradock have food processing activities. Manufacturing mainly takes place in Queenstown and the major activities are furniture making, food processing and pressed metal. The three biggest employers in Queenstown are manufacturers' viz. Seating, Twizza, Crickley Dairy and Stateline Pressed Metal. Other manufacturing industries are biltong processing, cheese making, Ouma rusks, leather processing and bone meal production.

2.4.9 AGRO-PROCESSING

While the districts' agricultural potential is obvious, primary agricultural projects have had a minimal impact on unemployment. This situation necessitates strategies to increase value-added production by exploiting opportunities that exist along the various crop and livestock value chains.

Particular advantages lie in food-processing based on resource and crop availability, existing factory infrastructure, as well as relatively well developed road infrastructure when compared to other rural districts.

The bulk of the districts' farm output goes for processing outside the district e.g. milk, beef, wool, fruit etc which regulates the district to the bottom of the value chain. Opportunities exist in food-processing especially in the areas on convenience food, specialty foods and organic foods. Beside food –processing the District can promote high value crops such as cotton as well as bio-diesel.

Bio Fuel Development at Cradock

Bio-diesel initiatives present huge opportunities especially around the existing sugar-beet project near Cradock where Sugarbeet SA, Central energy Funds and the IDC have entered into a partnership that will see 6000ha of sugarbeet planted, construction of Ethanol production plant and buying of the ethanol by PetroSA to blend into their stock. It is estimated that this project will create up to 2000 temporary jobs and 500 permanent jobs only in the Ethanol plant construction phase.

The economy of the Eastern Cape Province is poised for re-engineering, revival and vibrancy now that the R2 Billion Cradock bio fuel plant construction has been put into process by the government departments responsible for this national pilot project. This bio fuel project is developed under the auspices of the Industrial Development Corporation (IDC), Department of Trade and Industry (DTI) and Department of Rural Development and Land Reform (DRDLR). The last is playing a leading role and is providing the needed land where the required sorghum and sugar beet will be grown. The agriculture leg of this project is that it will have as its spinoff the development of livestock in the CHDM region and adjacent farming towns because the bio fuel farms will also produce animal feed that will be used to develop quality beef cattle- a process that will bolster the red meat industry of the province. The sleepy town of Cradock is set for a re-awakening. There will be jobs and opportunities to establish businesses for the local people. The Cradock bio fuel project is set to revive the economy of the Eastern Cape in that it will re-activate all sectors of the economy of this motor province. The multi-million rand Cradock bio fuel plant is a catalyst for industrial revolution in the Eastern Cape and hence lifted by the President of RSA and Premier of Eastern Cape as one of projects to be funded and looked into.

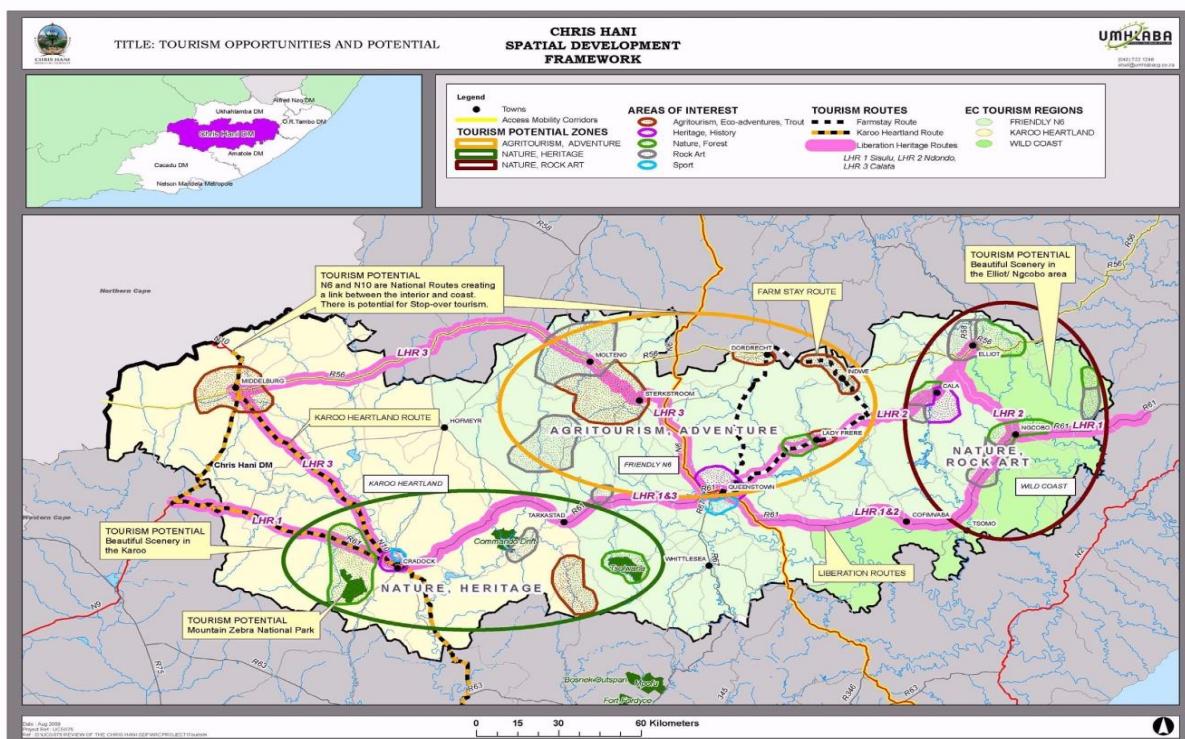
Trade and Services

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majorities of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM.

2.4.10 TOURISM & LIBERATION HERITAGE DEVELOPMENT

The CHDM has a rich history and natural resources that can promote tourism development in the region. These resources are untapped and are not adequately budgeted for within the District and local municipalities. The District has access to a number of major routes, the friendly N6 and the N10 which link the District with East London, Bloemfontein and Port Elizabeth and the R61 linking Queenstown with Mthatha and the Wild Coast. The region's emergence as a malaria free game farming and nature reserve location has contributed to tourism revenue, a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industry and services.

The District offers a variety of tourism experiences ranging from wildlife (MT. Zebra National Park game, game or nature reserves, game farm etc); Adventure activities e.g. Fish River Canoe Marathon, Hiking trails, abseiling, Fishing etc.: Historical buildings, battle sites, Rock Art, Anglo- Boer War Memorials to Liberation Struggle Icons i.e. Chris Hani, Vuyisile Mini, Cradock Four, Walter Sisulu, DR AB. XuMa, Rev. James Calata etc.



The CHDM Tourism Integrated Master Plan as adopted by council in 2012/13 and cites that Chris Hani District Municipality has a total of 204 tourist accommodation establishments, providing 3,409 tourist beds.

Using the total number of beds and the average occupancy of the accommodation aggregated from the individual Tourism Sector Plans, the total number of tourist bednights sold per annum (calculated for the over 2008/9 year) is calculated to be 339,810 (see table below), at an overall average bed occupancy of 27.31%.

CHRIS HANI DISTRICT MUNICIPALITY TOURIST ACCOMMODATION OCCUPANCIES & BEDNIGHTS SOLD			
Accommodation Type	Number of Beds in Chris Hani	Average bed occupancy in Chris Hani	Bednights Sold per annum 2007/8
Backpacker & Hostelling	0	0.00%	0
Bed & Breakfast	819	37.79%	112,973
Guest houses & Guest farms	1187	30.60%	132,595
Country House	47	25.32%	4,344
Hotels	298	18.06%	19,640
Lodge	294	17.83%	19,133
Self-Catering	332	23.12%	28,021
Caravan parks and camping sites	432	14.65%	23,105
TOTAL	3,409	27.31%	339,810

(Compiled by Kyle Business Projects)

The average bed occupancies of the different types of accommodation in the Chris Hani District Municipality, and the derived total number of bednights sold per annum for 2009/10.

The average bed occupancies are calculated as a weighted average of the bed occupancies in each Local Municipality. A detailed analysis of tourism has been presented above.

Economic Impact of Tourism

The economic value of tourism to the Chris Hani area is derived from the direct spend of tourists in the area, and from the jobs supported by tourism. The direct contribution to GDP is calculated from the total tourist bed nights sold in the area, and the average daily spend of tourist. From this data, the projected economic impact of tourism is calculated using the international simulated Tourism Satellite Accounting (TSA) system developed by the World Travel & Tourism Council / Accenture, in conformance with the conceptual structure of the WTO/UN TSA. This model calculates the economic impact of tourism on a geographic economy using the basic direct spend of tourists into the tourism industry, and a system of economic multipliers which define how that direct spend recirculates in the economy.

In the model used in the current study, current TSA multipliers are calculated from the WTTC / Accenture 2007 Report on South Africa. From this base, the economic impact of tourism in the Chris Hani District Municipality has been calculated over the forecast period 2008 to 2016, and is shown in Figure 1, Figure 2, Figure 3, Figure 4, and Figure 5. The potential growth of these economic contributions is also calculated, in four scenarios: Expected natural growth in demand – this growth is driven by the anticipated growth in tourism demand in the Eastern Cape (i.e. the baseline); Impact of additional 1% growth in demand; Impact of additional 3% growth in demand; Impact of additional 5% growth in demand.

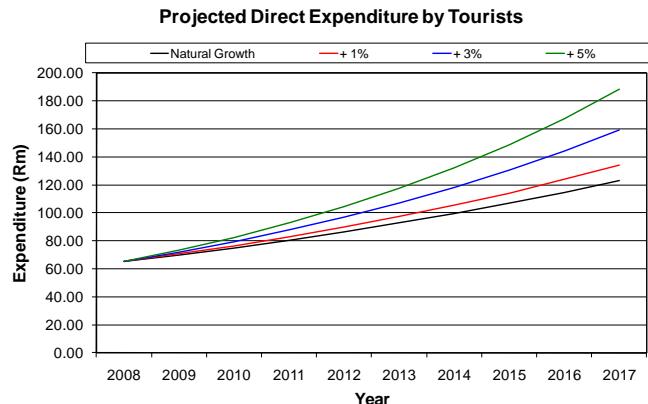


Figure 1: Economic impact of tourism: the projected direct expenditure by tourists in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2017.

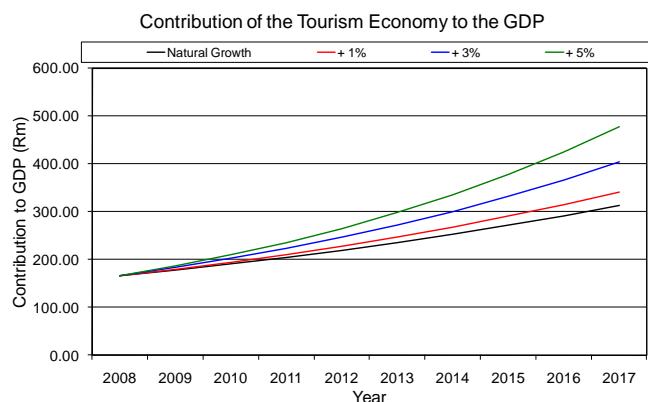


Figure 2: Economic impact of tourism: the projected contribution by the tourism economy to the GDP in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

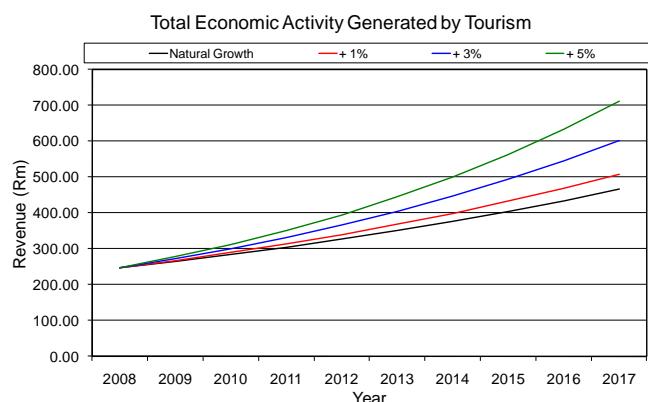


Figure 3: Economic impact of tourism: the projected total economic activity generated by tourism in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

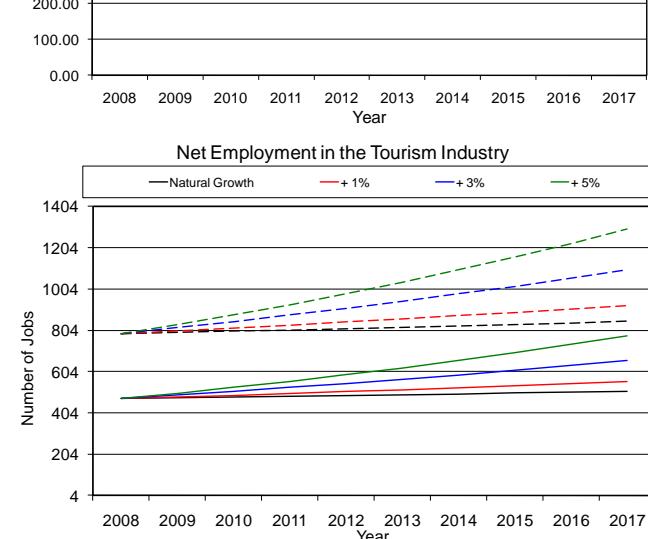


Figure 4: Economic impact of tourism: the projected net contribution of the tourism industry to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

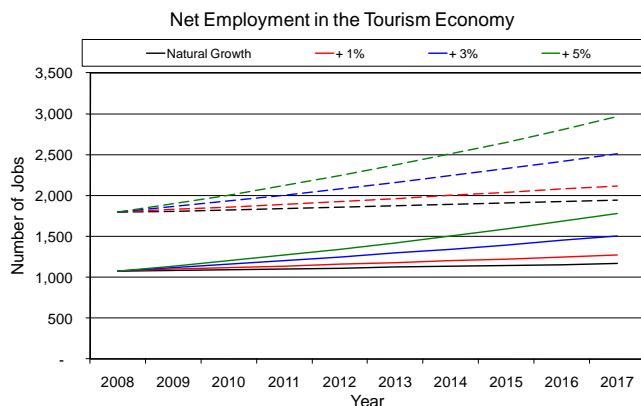


Figure 5: Economic impact of tourism: the projected total contribution of the tourism economy to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

From the model it is calculated that tourism currently contributes as follows to the local economy of Chris Hani:

- R65.3m in direct tourism spend;
- R166.1m contribution to the GDP by the tourism economy;
- R247.2m total economic activity generated by tourism (i.e. total demand);
- supports 473 jobs in the tourism industry;
- supports a total of 1,078 jobs in the tourism economy (including the tourism industry);
- supports the equivalent of 72 SMMEs in the tourism economy, outside the tourism industry.

Progress Made so Far in Tourism Development

The District is currently focusing its tourism activities on branding and marketing the various activities available. In addition cultural and heritage sites are being marketed through the implementation of a Chris Hani Liberation Heritage route. The Chris Hani Liberation Heritage Route Icon Site Guide has been developed, launched and distributed nation-wide including the development of marketing materials for each of the individual routes; Sisulu, Ndondo and Calata. A tourism centre has been developed in Queenstown and is operational. The District has developed Tourism Integrated Plan during 2010-2011 financial year and ensured the revival of local tourism structures such as the Intsika Yethu Local Tourism Organization, Middleburg Karoo Tourism, Cradock Karoo Tourism, Lukhanji Tourism and the District Tourism organisation.

The Liberation Heritage Route (LHR) was started by the National Heritage Council, the Eastern Cape Department of Arts and Culture, and the Nelson Mandela National Museum in the beginning of 2006. The LHR is about the reconstruction of the history of the liberation struggle and the exploration of this history starting from the Eastern Cape. The key objectives of the Liberation Heritage Route include the reinforcement of a national integrative identity whilst accepting cultural uniqueness and diversity, and to translate the wealth of heritage knowledge and resources into economic capital. It is about the narrative of events as part of the preservation of national memory for continuity and national identity. The Liberation Heritage Route will interpret the past to serve the needs of the present and the future.

Chris Hani district municipality has embarked on a tourism development initiative of promoting tourism through the identification of heritage sites such as the liberation routes,

places of importance, tombs, caves, and places with special, aesthetic, historic, scientific and environmental values.

Achievements of CHDM LHR Heritage Route to Date

- 56 Icons identified and described in Icon Site Guide
- In addition to the Icon Site Guide, a Site Inventory of all Heritage Sites, including non-Liberation Heritage Sites has been developed and is currently in circulation
- Mapping of Icon Sites has been done
- Three Routes defined and described: Sisulu, Calata and Ndondo
- Institutional Framework put in Place (Reference Group at District Level; 8 Steering Committees at Local Municipality level.)
- Heritage Awareness enhanced at grass-roots level through processes of Icon identification, prioritisation and documentation.
- Community Facilitators have been trained, and are thoroughly familiar with the Heritage processes generally and the Heritage resources of the LMs more specifically
- Promotional DVD Has been developed and distributed
- 56 Information sign boards for Icon Sites been developed and erected
- Directional Signage for 40 Icon sites have been erected
- Directional Signboards – 9 National Sites; 13 Provincial Sites
- Training of Tour Guides and Tourism Personnel
- Promotional Material for Tour Guides (One-Day Packages)
- Construction of a giant Statue of Chris Hani at Sabalele Village which is his birth place

Chris Hani Month Celebrations

The CHDM Council resolved to declare the month of April as “**Chris Hani Month**” and be celebrated annually. In order to commemorate this month a number of events are held at various municipalities that constitute the greater CHDM. The events range from launching of projects at local municipalities, sport activities, delivering of Chris Hani Memorial lectures with various themes promoting Local Economic Development through Tourism. The events are structured in such a way that they are inline with government priorities.

OBJECTIVES

- To honour and commemorate the life and death of Chris Hani
- To preserve and conserve Social Memory
- To increase Tourism products(Event s Tourism)cultural industries within the District
- To promote the Local Economic Development of the area
- To educate and create awareness on youth about significance of the Liberation Struggle and the Liberation Icons
- To profile and Market CHDM as a liberation heritage tourist destination
- To promote and market CHDM LHR
- To promote social cohesion, fight against crime and drug abuse within communities

Achievements of Chris Hani Month to Date

- Construction of fully equipped Library at Zigudu High and purchasing of sport equipment for the school

- Purchasing of fully equipped Mobile office at Gqoboza Jss, purchasing of sport equipment for the same school
- Donation of study material to schools(Bathandwa Ndondo High School, Gqoboza and Zigudu Combined School
- Profiled and Marketed CHDM as a liberation heritage tourist destination
- Education and awareness(4 Memorial Lectures have been conducted) on the significance of Liberation Struggle and Icons
- Unveiling of tombstones for the graves of parents of Comrade Chris Hani
- Guided tours of the Liberation sites and other sites of interests have been done
- Entertainment of locals
- Emergence of the Chris Hani Jazz Festival
- Local Economic Development of the area
- Construction of Sabalele Multi Purpose Centre at Chris Hani Birth place which encompasses Museum, Early Childhood Centres, Library, Community Hall and some offices which are used by stakeholders like SASSA etc.

Heritage Sites

One hundred and two sites were identified in the Chris Hani District Municipal area, categorized according to their nature, namely whether they are human generated structures or natural artifacts. Out of these, the Chris Hani Liberation heritage route has identified iconic sites and a booklet has been printed containing these sites.

Number of sites in each category.

Category	Number of sites
Human Generated Artifacts	
Historical buildings	25
Monuments and memorials	6
Museums	9
Graves	5
Rock Art	6
Living Heritage	7
Open Land	7

2.4.2 CHRIS HANI DEVELOPMENT AGENCY

The Council of Chris Hani District Municipality took a decision to establish a regional economic development agency that would act as a mechanism to fasttrack major economic development programmes and to assist the District Municipality in addressing the many economic challenges it confronts. Its function would be to drive economic development within the district by playing a private partner role in sourcing funding, undertaking and owning financially viable projects for the betterment of the district.

The strategic focus of the agency will lead the following:

- Functional irrigation schemes and efficient use of irrigation scheme infrastructure
- Participation and tangible economic benefit to rural communities
- Emerging farmers producing the minimum sorghum production for bio-ethanol pilot plant
- Quality meat production as business case for local abattoirs and meat processing from the region
- Efficient use of state resources and infrastructure
- Value chain beneficiation from the agro-industrial value chain
- Sustainable Enterprise Development establishment and job creation

The council's decision to establish a development agency was based on an investigation of the feasibility and/or viability of establishing the CHDM Development Agency. This was done by looking at the lessons learnt from the development agencies that are doing well in the Province to those that are not performing well. The investigation was completed and lead to the recommendation to the Council for the establishment of a Development Agency as an option to assist in fast tracking economic development in the area. Strides had been undertaken by the Council as the Agency within its first years of existence managed to appoint a fulltime CEO after the has a Permanent Board for 5 years consisting of 6 members as it is on establishment phase. For the past year 2015 -2016 one of their main focuses was to manage skills development fund which is to support well performing students within the district on financial aid during their tertiary education mostly on scarce skills field.

Mandate of the Chris Hani Development Agency

The new mandate of the Chris Hani Development Agency is outlined as follows in the Memorandum of Agreement between the Chris Hani District Municipality and the Chris Hani Development Agency:

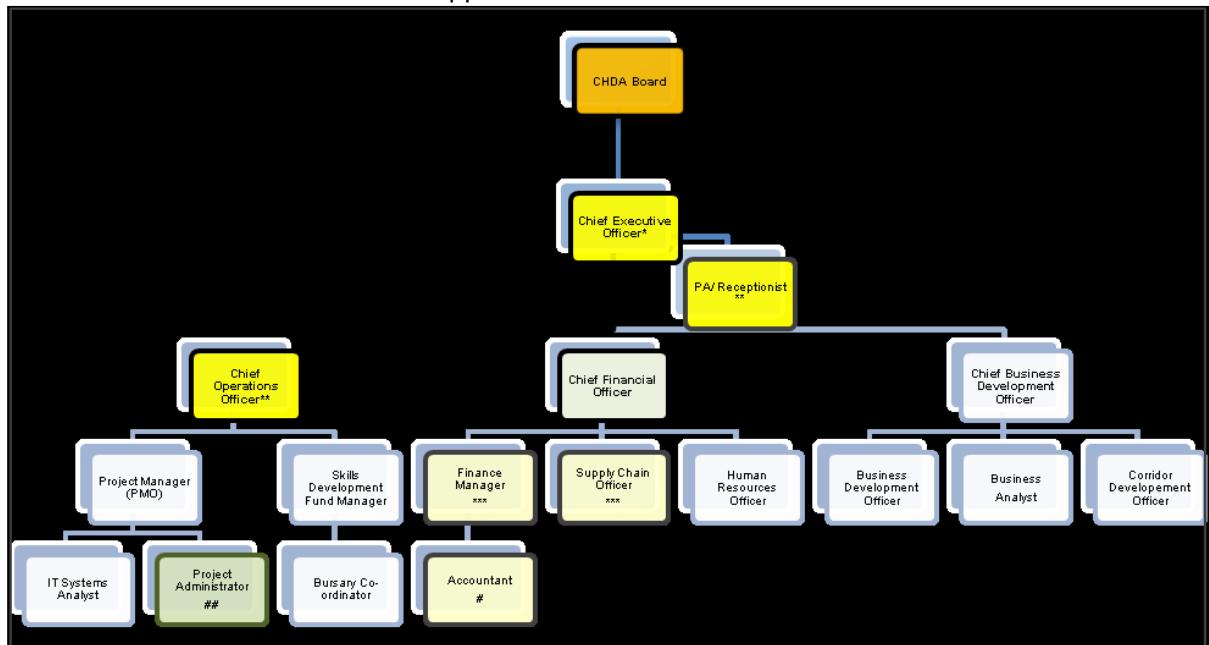
- Focus on the realization of the agro-industrial value chain linked to the SEZ model
 - Leverage investment into irrigation schemes and maximize infrastructure potential thereof
 - focus on the agro-value process
- Build research and economic modelling capacity to provide advisory support to economic project implementation.
- Focus on investment facilitation and support/ empower communities to engage with private capital to ensure balanced socio-economic beneficiation
- To be charged with the administration and management of the Community Skills Development Fund on behalf of the District Municipality;

Name of the Development Agency

The Development Agency is registered officially at CIPC as the Chris Hani Development Agency Pty (Ltd). It has about 9 members of the Board is currently runned by a fulltime CEO and a COO on senior management.

Organisational Arrangements

The macro structure of the CHDA is appended hereunder:



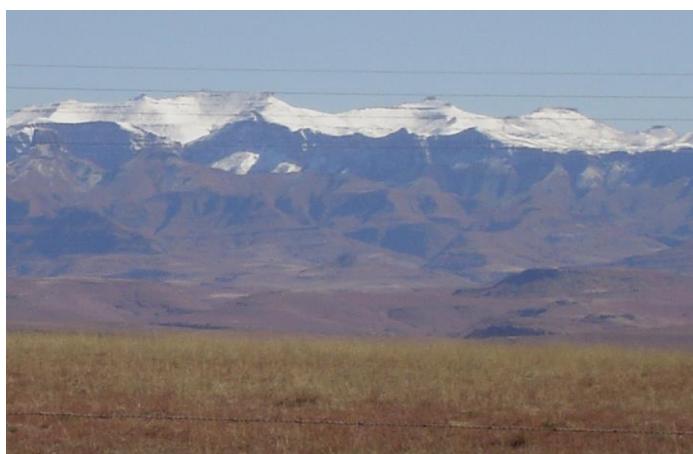
2.5 ENVIRONMENT & TOPOGRAPHY

Climate

The climate varies from Arid to very cold high veld and falls mainly into 2 climatic zones according to the “Agricultural Development Programme for the Eastern Cape” – 1986, namely:- Arid and Semi-Arid Moderate Midlands, and Arid and Semi-Arid Cold high lying land.

Rainfall

The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the astern high lying areas of Cofimvaba it is 700-800 mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.



Rainfall distribution is poor and dry spells are a frequent occurrence. In his study, J.H van Wyk comes to the conclusion that the rainfall of the former Transkei shows little variation and can therefore be classified as reliable.

He points out, however, that the variation of rainfall during the early summer months makes early planting of agronomic crops risky. (*Wood & van Schoor, 1976*).

It is a summer rainfall area with 70% - 80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20 - 30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of the Compassberg and Winterberg. The further west, the poorer the rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when "dry" spells can be expected, which makes the early planting of agronomic crops risky (*Wood & van Schoor, 1976*).

Evaporation

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences a negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700 mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

Temperatures

The temperature is characterised by extremes during the summer months, the maximum temperature often exceeds 40°C in the lower lying areas in the western (arid) section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost and snow is a common occurrence throughout the area. The average commencing date for frost in most of the area is the Mid April and the average last date for frost is the Mid October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation (change from one day to the next) in temperature. (*A.J. Roets & Associates, 1999*).

The temperature in the eastern part of the District is a bit more moderate with frost occurring from Mid May to Mid September.

Prevailing winds

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

Geology & Soils

The District consists mainly of Beaufort sediments intruded by Dolerite. These comprise Shale, Mudstone and Sandstone. The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex (rocky), which are mostly not suitable for crop production. In the valleys, however,

deeper soils do occur. In the Fish River Valley as an example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.

Soil salinity is, however, a major problem in the irrigation areas in the Cradock, Hofmeyr and Tarkastad Districts.

The soils of the more arid areas of the study area are generally shallow and consist mainly of the Mispah, Glenrosa and Swartland forms. In the flood plains, watercourses and plains, deeper soils of the Oakleaf, Dundee and Valsrivier form are more common.

Topography, drainage and vegetation

The District is part of what is described as gradual “step” topography. The “steps” are formed by the Winterberg mountain range in the south and the Stormberg range north of Sterkstroom.

The Stormberg Mountain range runs from east to west dividing the area into the high lying Stormberg plateau in the north and the generally lower altitude area in the south.

The Winterberg range with an altitude of 2 370 m above sea level extends into the southernmost section of the area. The altitude of the Compassberg to the west of the Stormberg range is 2 502 m, whereas the Stormberg plateau is ± 1 800 m above sea level. The altitude of the lower lying area in the Cofimvaba District is ±600 m above sea level. The greater part of the area, however, lies between 500 m and 1000 m above sea level.

The main drainage systems are the tributaries of the Great Fish, Great Kei Rivers and Mbashe river systems, which drain into the Indian Ocean. The western section of Chris Hani District Municipality consists mostly of mixed Nama Karoo veld whilst the eastern section consists mostly of moist upland grassland. What is important from a conservation aspect is the valley thicket occurring along the Kei and Mbashe River systems and the pockets of afromontane forest occurring north of Ngcobo.

Conservation Areas within CHDM

The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of the municipality, namely Lawrence de Lange and Longhill (Lukhanji). In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (i.e. Blanco) and three natural heritage areas (i.e. Benghoi & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the Municipality.

The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves. The early selection of protected reserves in the CHDM was based on ad hoc decisions to protect specific mammals rather than objective criteria based on biodiversity mapping. Control of all indigenous forests in the Eastern Cape including the CHDM, was handed over to the Directorate of Nature Conservation of the Eastern Cape Province authorities in 1996, and management plans for all forests are still in preparation.

Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.

Water Resources

The CHDM falls within four river systems:

- The Great Fish River draining the central / western area southwards;
- The Kei River draining the central / eastern area southwards;
- The Mbashe River draining the eastern area southwards;
- The Orange River draining to the North.

Of these the Fish and Kei Rivers are the most significant rivers in terms of the catchment areas in the CHDM. The total surface water available in the district has been estimated from the Eastern Cape Water Resources Assessment as follows:

- Potential maximum yield (including dams and transfers) = 1013.5 Mm³ / annum
- Probable total consumption and losses = 775.8 Mm³ / annum
- Available surface water resource = 237.7 Mm³ / annum

It is clear that across the whole district, there is a positive surface water balance and that approximately 23.4% of the potential yield is still available for use, providing drought conditions do not exist.. It is however worth noting that the resource is concentrated at the major dams and rivers and as would be expected is not readily or cheaply accessible to all potential users located a distance from these resources.

DAMS, WETLANDS AND SPRINGS

Chris Hani is characterized by a number of major dams, which serve the towns and the various irrigation schemes.

The major dams in Chris Hani are:

- The **Grassridge Dam** between Cradock and Middelburg used as a balancing dam
- The **Lake Arthur and Commandodrift Dams** near Cradock used for irrigation
- The **Xonxa, Lubisi and Ncora Dams** between Lady Frere and Ngcobo used for irrigation.
- Xonxa Dam is currently used to support Lukhanji, Emalahleni with water as it has been founded that it has a potential to do that, so water is sourced from there to Queenstown as Lukhanji area has been discovered to be challenged.

Most of the wetlands occur in the Inxuba Yethemba municipality followed by the Emalahleni and Tsolwana municipalities (4 each). The Engcobo, Inkwanca and Lukhanji municipalities only have one listed wetland. Wetlands occur in the catchments above the Commando Drift, Elands drift, Grassridge, Lake Arthur and Xonxa Dams.

A number of wetlands are located upstream of the dam immediately west of Dordrecht and above what appears to be the Thrift Dam on the Black Kei, although not marked as such on the topographical map (3226BC).

All the riparian wetlands are located within Eastern Mixed Nama Karoo vegetation, with the exception of three found within Moist Upland Grassland (Lemoenfontein, Qumanco and Snowdale-Success) and four within South-eastern Mountain Grassland (Clarke's Siding, Dordrecht Town, Driefontein 188 and Geluksvlei).

Springs are an important source of water in the district. They are also used for recreational purposes such as at the Cradock Spa. A number of endorhic pan wetlands occur in the district, two each in the Inkwanca (Coldstream pan, Die Pan wetland complex) and Inxuba Yethemba (Helderwater pan, Rooikop) municipalities and one in the Tsolwana municipality (Rotterdam wetland complex). The Helderwater pan, Rooikop wetland and Rotterdam wetland complex are located within Eastern Mixed Nama Karoo, whereas the Coldstream pan and Die Pan wetland complex are found within South-eastern Mountain Grassland.

Artificial Wetlands in the form of dams, excavations, solar salt extraction works and wastewater treatment works occur to varying extents throughout the district. Solar salt extraction works have the most restricted distribution, being limited to an area west of Hofmeyr. They are all therefore located within the Tsolwana municipality. All these salt works are located within Eastern Mixed Nama Karoo. Although they have been classified here as artificial wetlands they are largely based on existing features, namely Landpan, Middelpan and Soutpan.

Environmental Challenges

Government and the District Municipality have long neglected environmental protection. This has led to many environmental disasters in the past, which could have been avoided if environmental policies had been in place and enforced.

Lack of clean and unpolluted water is a major environmental problem in Tsolwana in particular Thornhill area. Limited access to clean water affects mainly Emalahleni, Intsika Yethu, Sakhisizwe, Engcobo and Lukhanji. Inkwanca and Inxuba Yethemba suffer from lack of a guaranteed water supply, which should be rectified in the near future. Limited access to water impacts upon the ability of people to practice good personal and food hygiene. The old and people with disabilities are particularly affected as they have difficulty in gaining access to water. The growing of crops is limited as there is no water to spare for the crops, which creates many nutritional problems. Stock farming may also be limited due to insufficient water being available that has a notable impact upon people's livelihoods.

Limited and poor sanitation creates numerous environmental problems, such as water pollution due to the waste being washed into the rivers by rain. Such water pollution is often directly attributable to a variety of diseases which children playing in these contaminated areas pick up. The smell from improper sanitation also affects quality of life for residents. The greatest challenge facing government and local government in particular is how to minimise harmful environmental practises that contribute to global warming and ultimately climate change. A summit was recently held on this topic in the District to promote awareness of the problems created by global warning.

Chris Hani District Municipality has produced an Environmental Management Plan (EMP) which was adopted by Council in 2013-2014 in order to point out areas of concern, the plan is reviewed for compliance and alignment annually so as to address current situation. The plan highlights areas of the environment which should be conserved and protected.

Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources. It highlights that:

- The DM appoint dedicated environmental staff which has since been done
- The DM develop an integrated environmental management system
- The DM implement pollution control measures such as air pollution monitoring stations
- The DM assist to develop the capacity of its LM's to deal with environmental issues
- The DM undertake environmental impact assessments (EIA's) for all of its current and future project which is done currently by the municipality on all its projects that require EIA

However the District Municipality has been struggling to finance the implementation of this plan especially regarding pollution control mechanisms.

2.4.3 SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

2.1 Water Services & Sanitation

The Chris Hani District Municipality is a Water Services Authority in all local Municipalities within the district in terms of powers and functions as developed by Municipal Structures Act, 117 of 1998. It therefore tasked with addressing a water services backlog. Water supply in larger towns is treated and subject to operational and compliance monitoring while there are small and remote rural communities whose supplies are seldom monitored.

The DM is a legislated WSA for its entire area of jurisdiction hence it has completed an assessment of alternative water service provision mechanism, as required by Section 78 of Municipal Systems Act. CHDM shares its borders with Ukhahlamba, O.R.Tambo, Amathole and Cacadu of which some villages that are under jurisdiction of CHDM gets some water from those District Municipalities. An example of villages using water resources from other districts are villages at Tsomo as some are under Amathole and others under Chris Hani and importance of inter municipal planning has worked as the area is serviced by Chris Hani although its under Amathole DM And vice versa.

All its 8 local municipalities were Water Service Providers but CHDM Council has resolved to take back the function of Water Provision due to various challenged experienced and this has infact been agreed upon and a Council resolution is in place in that regard. Prior this Council decision strong and healthy relationships with the LMs had resulted in the appointment of critical and technical staff that were deployed to different LMs.

These people have assisted in strengthening LM's water service provider staff and also ensured that staff inherited from Department of Water Affairs is managed at the LM level. This has also resulted in the improvement of the operational budget expenditure and vehicles and trucks amounting to R27 million were purchased. As a result an improved customer care relation and limited downtime has been observed. By due to the taking back of the function these staff deployed will be further absorbed through a clear HR system and be amalgamated to the staff of the district. This is infact aprocess and will be managed by all parties involved.

2.2 Water Services Development Plan

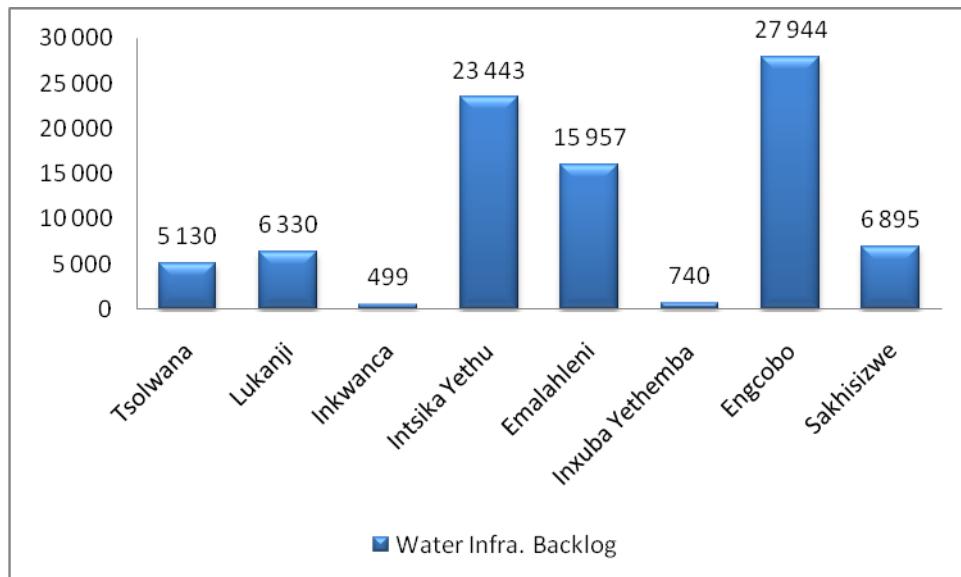
With the publication of the *Water Services Act* (Act 108 of 1997), all South African water services authorities were required to prepare a Water Services Development Plan (WSDP). The WSDP is a business plan setting out the way in which a specific Water Services Authority delivers water services to individuals and businesses in its area of jurisdiction. It also describes the current and future consumer profile, the types of services that are provided, the infrastructure requirements, a water balance, organisational and financial arrangements to be used, an assessment of the viability of the approach, and an overview of environmental issues. Following these analyses, important issues that may impact on the provision of effective and sustainable water and sanitation services need to be identified and strategies must be formulated to improve service provision.

As a WSA the Water Services Development Plan has to be reviewed annually, The 2015/2016 Final WSDP development was developed submitted to Council and as it has to be reviewe annualy a final WSDP for 2016-2017 is to be adopted by May 2016-2017 financial year with final IDP Review of 2016-2017. WSDP in general addresses the following matters

- Service Level Objectives
- Water Resources
- Water Conservation and Demand Management
- Bulk Infrastructure
- Institutional Arrangements
- Organisational Support,
- Financial Management & Tariff Policy

The above Pie Chart shows the percentage of water infrastructure backlog within the district as information and research conducted by Global Insight Rex 2011. It depicts that Engcobo has more backlog followed by Intsika Yethu Municipality with Inkwanca being the least with water backlog. The overall figure of the backlog has not changed significantly year-on-year , what has changed it the distribution of the backlog between municipalities due to the demarcation boundary changes.

This means that most of the CHDM water infrastructure backlog has shifted to Engcobo Local Municipality area. This means that there is a newly developed WSDP has to reflect these changes and to speak to how best to address the backlog going forward. Below are the water backlog figures per municipality sourced from Stats SA Census 2011



The Water Services Development Plan (WSDP) which has been adopted currently utilises Statssa figures from the 2011 Census estimate that currently 76% of the total population of Chris Hani District Municipality (CHDM) is served with water services, whilst 55% are served with sanitation services.

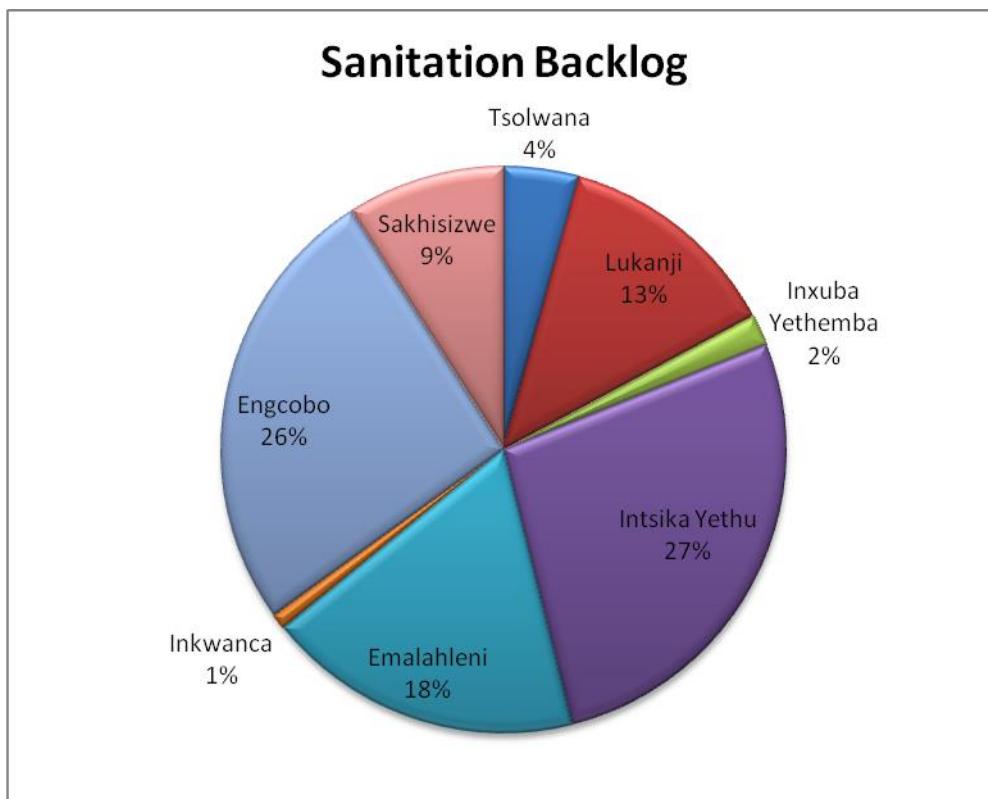
According to the WSDP of 2013-2014 which has relied on household figures of the 2011 Statssa figures delivers the following figures contained in the table below.

Source: Chris Hani Water Services Development Plan 2014

WATER				
	Households		Percentage	
	Served	Unserved	Served	Unserved
Emalahleni	13,746	20,569	40%	60%
Inkwanca	3,912	-	100%	0%
Intsika Yethu	24,516	26,245	48%	52%
Inxuba Yethemba	13,256	-	100%	0%
Lukhanji	42,434	14,555	74%	26%
Ngcobo	10,353	26,889	28%	72%
Sakhisizwe	7,564	7,081	52%	48%
Tsolwana	3,357	4,219	44%	56%
ECDMA13	24	-	100%	0%
TOTAL (2013)	119,162	99,558	54%	46%

The major challenge is meeting the backlog targets as set out by the national government due to the insufficient capital funds (i.e. MIG allocations). The collapsing infrastructure in towns is not included in the backlog.

Looking at the Sanitation Backlog as informed by official STATS SA Census 2011 the below Pie Chart shows Intsika Yethu and Engcobo as municipalities within the district with more/high backlog and the least being Inkwanca Municipality.



Actual figures are depicted by a graph below:

The CHDM has identified and quantified all villages with water and sanitation backlogs within their area of jurisdiction and put them into clusters. The District Municipality could not meet the targets it set of eradicating buckets due to financial and capacity constraints and as a result has committed itself in ensuring that it provides free basic services to its communities. Due to the allocated powers and functions the provision of basic level of services is limited to water and sanitation. Backlogs have made it difficult to provide these services in areas which do not have infrastructure especially in the former Ciskei and Transkei areas. The funding with respect to MIG falls short in eradicating the backlog. The WSDP presents a number of possible developmental scenarios. Given the available and potential resources and capacity, the most viable scenario envisages increasing resources so that the backlogs are addressed by 2014 but due to latest info it is envisaged that the backlog would be addressed by 2025 due to its huge volume.

Chris Hani DM has also developed a Water Services Backlog Eradication Strategy, whereby all areas with backlogs have been identified and quantified up to the village level. The affected villages have been grouped into nine clusters (i.e regional schemes).

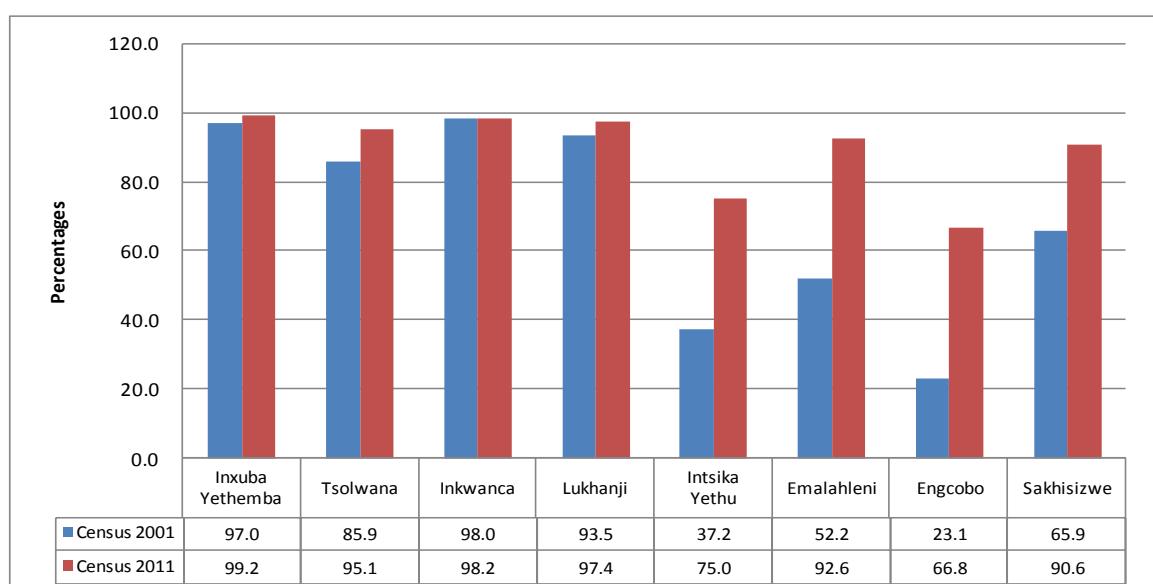
It is noted that there is a need to find alternate sources of funding if we are to increase our rate of delivery. More investment is required in utilising surface water resources. In addition the monitoring of the usage of groundwater requires improvement. A worrying challenge is the minimal pollution contingency measures in place in the district. In addition far more attention has to be paid towards ensuring and implementing water conservation and demand management.

Some of the greatest challenges in eradicating the backlogs are:

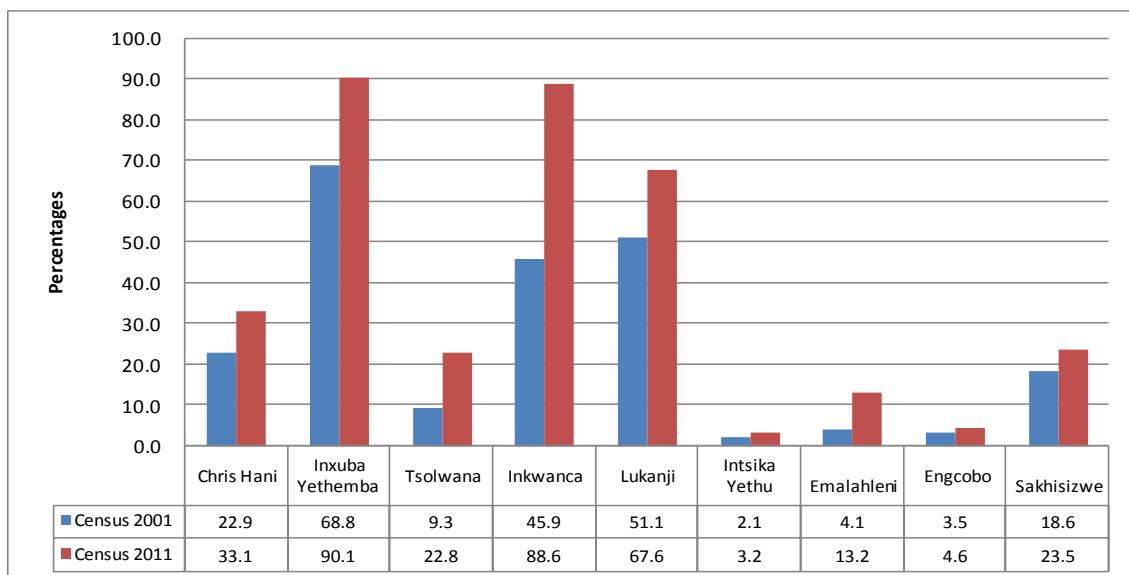
- MIG Allocated funds do not roll over to the next financial year
- MIG Funds not spent are forfeited
- MIG Funds are strictly to be spent only on approved projects that meet the MIG conditions
- MIG Projects must also be recommended by the respective sector departments
- Contravention of MIG conditions are regarded as unauthorized expenditure and are not reimbursable by MIG unless approved by MIG
- Serious drought conditions
- Limited staff with technical expertise wanting to work in the rural areas of Chris Hani District Municipality

State of District Raw Water Situation within the District

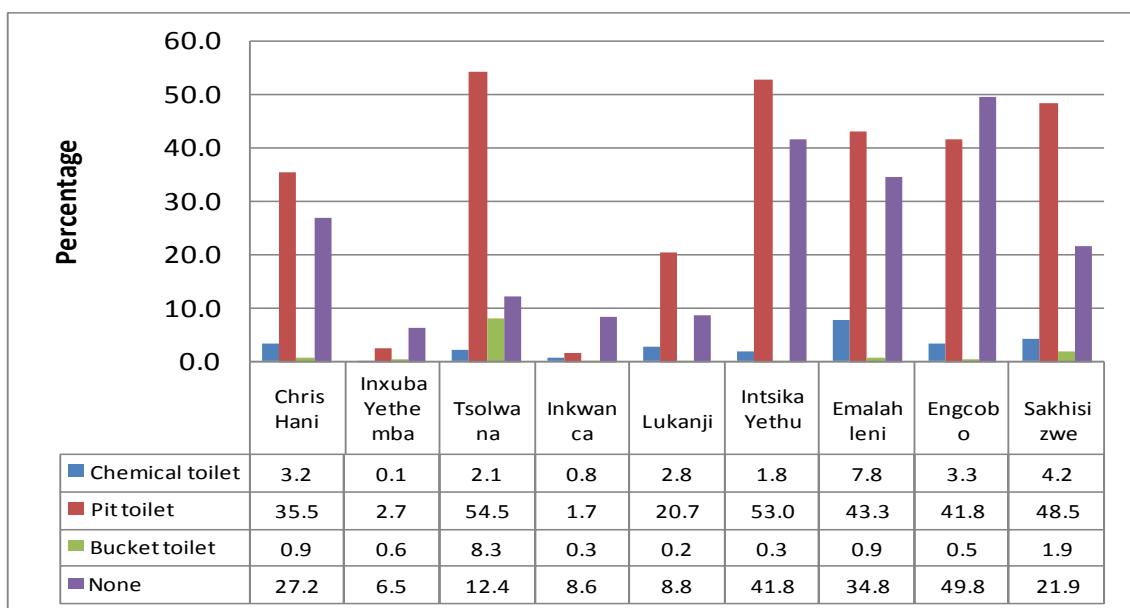
The majority of the towns in the DM are supplied from Surface Water Sources. Exceptions are the towns of Hofmeyr, Middleburg, Sterkstroom, Tarkarstad, and Cala (partly), which rely on groundwater (Boreholes) supplies. Communities in the rural areas generally rely on unprotected springs, streams and boreholes for their water supply. Commercial farms are usually supplied by groundwater from boreholes.



The above graph refers to percentage distribution of households with access to Piped Water by local municipality within Chris Hani District and it reflects an improvement to the situation by 2001 with more focus needed at Intsika Yethu and Engcobo. One may refer such backlogs to the fact that those areas were from the homelands before 1994 and were subjected to underdevelopment.



CHDM has been allocated powers and functions by MEC for local government to ensure proper sanitation for the communities within district; this is in a form of providing basic sanitation through toilets and not sophisticated ones. From the STATS 2011 conducted the above graph reflects percentage of households that used flush toilets connected to sewerage and Septic tank within Chris Hani local municipalities. The district is mostly rural hence the Sakhisizwe, Engcobo, Emalahleni and Intsika Yethu are seen as the least ones with flushed toilets as their areas are rural and the facility of flushing is mostly urban.



The above graph from STATS SA Census 2011 reflects the percentage within district of households by type of toilet facilities and can be interpreted as Pit Toilets being the ones mostly found within the district with areas that still have some bucket systems at Tsolwana and Sakhisizwe.

Blue Drop Drinking Water and Green Drop Wastewater Quality Assessment and Compliance

Regular water quality testing at each of the water treatment works in the District is completed by operators as part of their daily routine. The results are recorded at each plant and are forwarded to the District for processing, interpretation and remedial action taken (if required). Monitoring of water quality at the point of consumption is undertaken by Environmental Health Practitioners (EHPs) employed by each municipality in the District.

These EMPs sample water at a number of sampling points throughout each municipality and measure a number of water quality parameters.

- EColi
- pH
- Turbidity
- Total Dissolved Solids (TDS)
- Conductivity
- Free Chlorine
- Nitrates
- Sulphate
- Flouride

In the event that a sample fails to comply with the required standards, it is retested before remedial action is taken. For the eColi test, water is taken from an unsterilized tap and after it has been burned to sterilise the tap. This will give an indication if any pollution enters the water at the tap or prior to the tap.

Comments by 2012 Green Drop Inspectors:

"The Green Drop assessment revealed that wastewater management within this municipality ranges from acceptable to entirely unacceptable.

Management of the Queenstown wastewater system proved to be promising; within this system relatively good scores were achieved across the board accept for incident management, treatment capacity and asset management. A far less convincing performance was recorded at each of the remaining systems. This poor performance necessitates the Department to require the Water Services Authority to provide an explanation together with a turn-around plan within 30 days subsequent to the release of this report. (This to inform the appropriate intervention)

Special attention is required at Tsomo, Indweb, Cradock, Lady Frere, Middelburg and Comfimvaba since all of these systems reached the undesirable maximum risk rating.

This means that it is squarely within the critical risk category; the situation will not turn around without a concerted planning and implementation effort from municipal decision makers and management.

Green Drop Findings:

A lack of operational information indicates ineffective management of the wastewater systems in general; this severely compromised the Green Drop performance of Chris Hani District Municipality and Water Service Providers (Local Municipalities):

Officials indicated a budget for operations and maintenance but could not produce any evidence of expenditure. This prevented the assessors of having complete confidence in the efficacy levels of asset management.

The general lack of information bar one of the systems Chris Hani is responsible for, it is recommended that the compilation of asset registers and investment in operational monitoring will be prioritised, together with process optimisation in a serious endeavoured required for effluent quality compliance with authorization limits”

Conclusion:

“The Regulator is not satisfied with the overall performance of wastewater services management in Chris Hani DM. The WSA has to submit a Corrective Action Plan to DWA within 30 days of release of the Green Drop Report.”

Comments by 2012 Blue Drop Inspectors:

“Chris Hani DM is another Eastern Cape Water Services Authority that impresses with its drive to improve drinking water quality management. An overall score improvement from 53.1% to 73.5% speaks volumes of the officials’ commitment in this regard. This is sincerely a commendable performance under challenging circumstances.

Nevertheless there would remain areas with dreadful microbiological compliances i.e. in systems such as Cala and Elliott. Compliance percentages in these two systems are well below 50% and it can be expected that these communities are at risk. The municipality is required to inform the Department’s regional office within 30 days as from the release of this report on an action plan for urgent improvement of treatment efficiency levels in these areas.

The Blue Drop inspectors noted: “The Water Services Providers responded very well to the deficiencies identified during the Blue Drop Assessment and come well prepared for the Confirmation Interviews. The WSPs were strongly supported by the ChrisHaniDistrictMunicipality. The District Director personally led the interviews and made sure that each of his WSPs was represented in large numbers. This illustrates the commitment of the District towards the Blue Drop Certification Programme.”

Findings:

The worst performing systems would be the Rural Systems within the jurisdiction of Intsika Yethu Local Municipality.

Interventions required to address identified ‘Blue Drop’ compliance gaps

It is clear from the Blue Drop Assessment that, while the Municipality has made great progress in improving its water quality monitoring system; specific areas that require additional interventions include:

- Drinking Water Quality testing and compliance in rural areas (especially Intsika Yethu)
- Water Safety Plans in some areas (i.e. rural areas)
- Implementation of the comprehensive testing programme that will fully comply with SANS 241
- Build Capacity and reduce reliance on service providers for support and testing

Roads and Stormwater

The road network in the Chris Hani District consists of a hierarchy of national, provincial and municipal roads. Two national routes pass through the Chris Hani District in a north-south direction i.e. the N10 and N6. The local Trunk and Main roads link the larger towns and villages and mostly run in an east-west direction. The best example is the R61, which runs from Cradock in the west through Queenstown to Mthatha in the east. The total length of the provincial road network amounts to approximately 43 465km. This is made up of approximately 5 102 km (12%) of surfaced roads and 38 363km (88%) of gravel roads. Only 707 km of the total network of nearly 8 900 km in Chris Hani is surfaced.

The overall condition of the road network in the Province and in the Chris Hani District has not improved, mainly due to insufficient funds for maintenance and inherited backlogs. Gravel roads require regular maintenance especially with heavy rains and high traffic volumes as can be seen in the photograph above. From an economic point of view, gravel roads suppress economic development since they lead to high vehicle operating costs and often lead to the damage of crops transported.

The District is responsible for maintaining identified roads in the Inxuba Yethemba area on an agency basis if the Department of Roads and Transport. As the custodian of the secondary roads in the North Westen side of the district. It has met this responsibility in a stalwart manner with the Department of Roads & Public Works and is firmly recognized in the Office of the Premier as one of the trendsetters in Road Construction and Maintenance.

The District Municipality (DM) in particular the Roads Section team managed to successfully secure again a new 3 year Service Level Agreement (Road Maintenance Contract) with the Department of Roads & Public Works starting from the beginning of April 2013. The Contract is limited to Provincial Proclaimed Roads within the Inxuba Yethemba Area. The project started with a budget of 67.5 Million by 2009 and currently believed to increase. An allocation of R22,5 Million was committed for the 2011/12 financial year, continuing with R25 Million for the 2012/13, 2013/14 and 2015/16 fiscal years respectively.

The Roads Staff has been commended by DRPW, the Agricultural Union and the Roads Forum for their professional implementation of the programme as their roads are of a high quality and are maintained on par with the private sector. The program is aimed at all road users particularly the local communities, tourists/visitors, Agriculture and National and provincial funded projects to cater for an Ethanol factory in Cradock. Municipalities that are not part of the Service Level Agreement are serviced by the Department of Roads & Public Works.

OPERATION & MAINTENANCE WITHIN CHDM

The O&M unit is tasked with maintaining the infrastructure within the dsitrect of which some of the functions of the unit includes:

- Routine Operation and Maintenance Procedures
- Start and Daily Operations
- Emergency flags
- Equipment Inventory
- Spare parts Inventory
- Equipment repair and Supply information
- Emergency Response and Action Plans
- Water Quality Monitoring
- Water Quality and Regulations Violation response Procedures
- Employee Training
- Monthly Inspection Reports and Observation Report
- System Description which includes
 - (a) Source
 - (b) Treatment
 - (c) Distribution
 - (d) Storage

The technical guidelines assisting in the development of Operation and Maintenance Plans (O & M) for Water and Sanitation are developed so that they are in conjunction with conservation and demand management as they are in the course of development. The O & M Plan has been developed to satisfy the Licensing of Water Supply and Waste water Treatment system operator Regulations including the development of reporting all daily procedures of maintenance done on each and every Municipal asset and also a description of water supply source, treatment, storage and distribution. This plan is intended to ensure that the system operates in a manner that satisfies all laws, rules and regulations and that all employees are acquainted with their individual responsibilities. The Unit has its own budget to run the programmes of maintaining its operations.

Climate Change and Drought Mitigation

After CHDM was declared as a drought affected District, the Department of Water Affairs allocated a Drought Relief Funding and the District Council adopted an action plan to address the crisis in 2010/11. Subsequent to that the Municipality has developed a Climate Change Adaptation Strategy which was adopted by Council by 2012-2013. Some of actions taken by council include the following decisions:

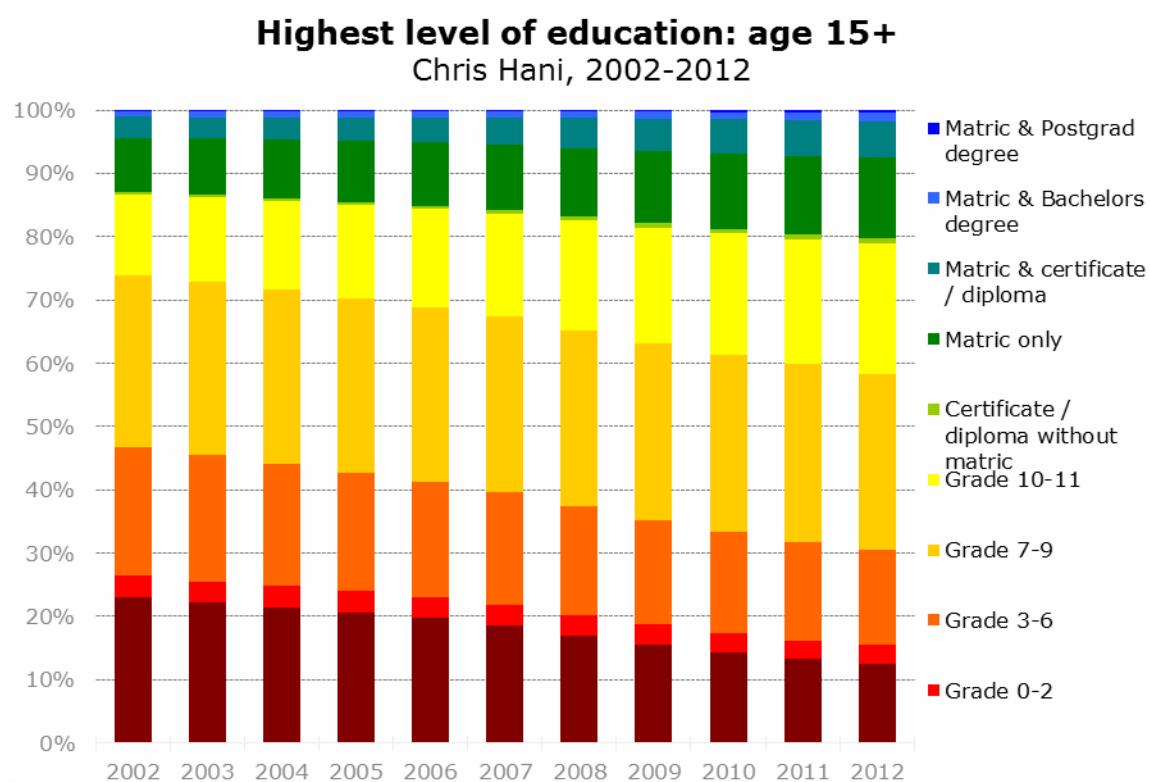
- That to allocate the funds per Local Municipality.
- Funds have been utilised to test, drill and equip boreholes and also to protect the springs.
- Ground water protocol has to be conducted in all 8 local municipalities.
- WSPs were required to use the existing CHDM tender for ground water protocol to fast-track the drought action plan implementation process.
- CHDM to purchase 12 water carts for water supply which where needed
- Springs are to be protected as alternative water supply.
- The Drought Relief Programme is to continue throughout.

The drought situation was further elevated on the 2010 Water and Rural Development Summit. By the month of March 2012 the institution conducted a Climate Change Summit so as to discuss climate change issues.

2.1 Education Snapshot within the region

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required. The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 53. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700



The number of people without any schooling within Chris Hani District Municipality, decreased annually from 2002 to 2012 with -5.40%, while number of people with a 'matric only', increased from 43,300 to 69,000. The number of people with 'matric and a certificate/diploma' increased annually with 6.08%, with the number of people with a 'matric and a Bachelor's' degree increasing annually with 5.81%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

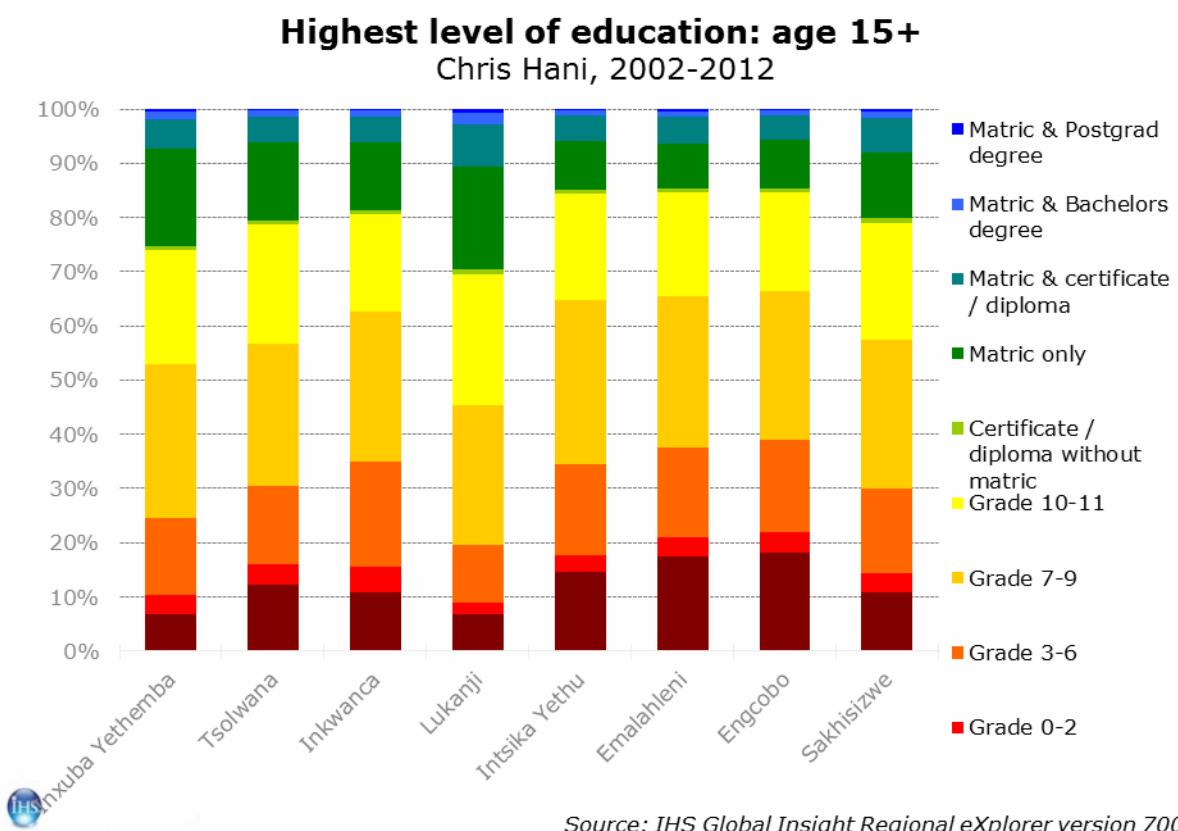
TABLE 54. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [NUMBERS]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
No schooling	67,227	437,695	2,621,077	15.4%	2.6%
Grade 0-2	16,909	107,464	599,961	15.7%	2.8%
Grade 3-6	80,487	544,950	3,216,343	14.8%	2.5%
Grade 7-9	148,825	1,173,214	8,082,816	12.7%	1.8%
Grade 10-11	111,813	1,043,859	9,105,784	10.7%	1.2%
Certificate / diploma without matric	4,393	36,160	333,274	12.1%	1.3%
Matric only	68,956	819,275	9,175,011	8.4%	0.8%
Matric & certificate / diploma	30,728	252,909	2,359,720	12.1%	1.3%
Matric & Bachelors degree	7,342	79,692	883,822	9.2%	0.8%
Matric & Postgrad degree	1,970	25,707	374,910	7.7%	0.5%

Source: IHS Global Insight Regional eXplorer version 700

The number of people without any schooling in Chris Hani District Municipality constitutes 2.56% of the number of people without schooling in the province and a total share of 2.56% of the national. In 2012, the number of people in Chris Hani District Municipality with a matric only was 69,000 which is a share of 0.75% of the province. The number of people with a matric and a Postgrad degree constitutes 0.83% of the province and 0.83% of the national.

TABLE 55. HIGHEST LEVEL OF EDUCATION: AGE 15+, LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

In 2012, the local municipality with the most people aged 15 years and up with no schooling is the Engcobo Local Municipality with 18% or 17 700 persons. Lukanji Local Municipality has the highest percentage of people with a tertiary education of some kind. In 2012 the Chris Hani District Municipality a total of 67 200 persons have no schooling this is 8.4% of the total population.

2.2 Functional literacy

Definition: For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

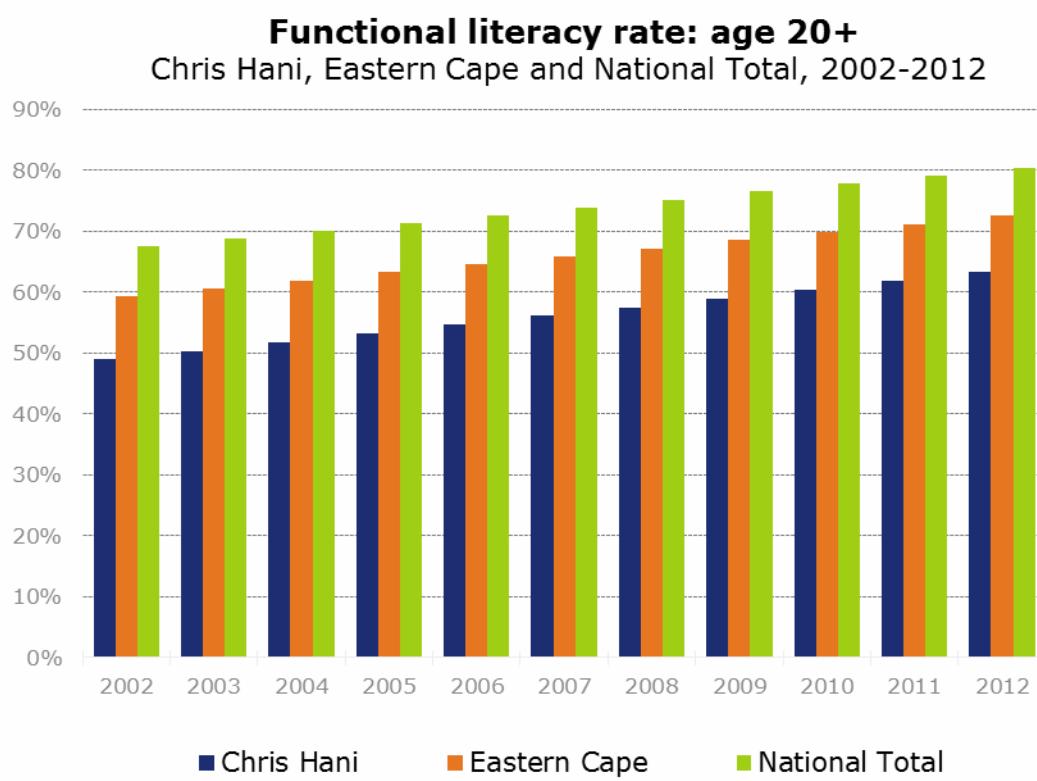
TABLE 56. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI, 2002-2012 [NUMBER & PERCENTAGE]

	Illiterate	Literate	%
2002	205,490	196,622	48.9%
2003	201,363	204,017	50.3%
2004	197,176	211,567	51.8%
2005	193,045	219,404	53.2%
2006	189,184	227,786	54.6%
2007	185,478	236,645	56.1%
2008	182,070	246,231	57.5%
2009	178,687	256,293	58.9%
2010	175,188	266,686	60.4%
2011	171,386	277,136	61.8%
2012	167,368	287,717	63.2%
Average Annual growth			
2002-2012	-2.03%	3.88%	2.60%

Source: IHS Global Insight Regional eXplorer version 700

A total of 288 000 individuals in Chris Hani District Municipality were considered functionally literate in 2012, while 167 000 people were considered to be illiterate. Expressed as a rate, this amounts to 63.22%, which is an increase of 14.33% percentage points since 2002 (48.90%). The number of illiterate individuals decreased - by -2.03% annually from 2002 to 2012, with the number of functional literate people increasing at 3.88% annually.

CHART 54. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2002-2012 [PERCENTAGE]

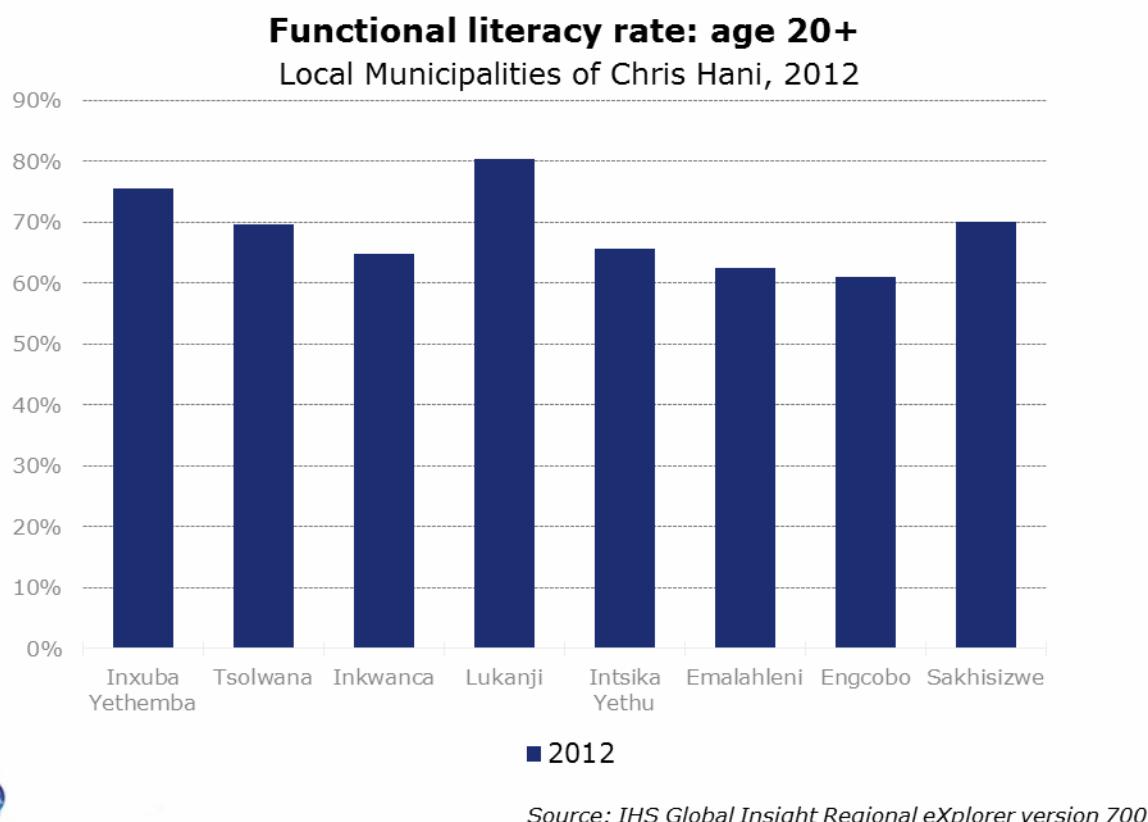


Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality's functional literacy rate of 63.22% in 2012 is lower than that of Eastern Cape at 72.50% as well as the national rate of 80.42%.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

CHART 55. LITERACY RATE - LOCAL MUNICIPALITY OF CHRIS HANI DISTRICT MUNICIPALITY, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

Lukanji Local Municipality, at 80.3%, does have the highest literacy rates within the Chris Hani District Municipality. The lowest literacy rate of 60.9% is in the Engcobo Local Municipality.

A number of reasons contribute to the low levels of education such as:

- Parents lack the money to send children to school
- Limited number of school facilities, and a significant number of poorly constructed and maintained schools without water, sanitation and electricity
- Lack of adequately trained and motivated educators
- Lack of pre-primary, secondary and tertiary institutions in the region
- Lack of educational equipment
- Lack of adult literacy programmes
- High rate of teenage pregnancies

The Departments of Education and Social development, in conjunction with local municipalities and the District Municipality, must, therefore, concentrate on a two pronged approach: (1) whereby learners have access to well equipped and maintained school buildings, crèches and pre-primary facilities as many of these facilities are inadequate for their function, and (2) the necessary funds being made available to encourage learners to complete their high school education.

Libraries

There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require for their studies. It is noted, however, that some progress is being made in this regard. Intsika Yethu Municipality with DSRAC has also built the library in Cofimvaba Town for the purposes of assisting learners with information. Secondly Through the liberation Heritage programme another library has been built at Sabalele Village with the collaboration of Chris Hani District Municipality and DSRAC, the library is packed with books to assist the learners around the area of Sabalele.

Sports & Recreation Facilities



The District offers a wide display of sports from the more adventurous such as white water rafting, horse endurance trails to the more sedate such as bowls. Indigenous sporting activities such as horse races and stick fighting are promoted and competitions held throughout the rural areas.

Many sport clubs and codes have a proud tradition and have been going for many years. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas. This may be directly attributed to the policies of the former government, which did not take into cognisance the health and welfare of people living in the then homelands. As a result many schools do not have their own playgrounds or sporting facilities.

Community Halls

Community halls provide multiple opportunities, including a place for people to gather for meetings, a place from which information may be disseminated, and a place from which services (such as pension payouts) may be provided. The lack of community halls means that local communities have no place to gather, partake in recreational and educational activities, and receive pensions or pertinent community information. As informed by powers and functions allocated to municipalities the district municipality is not allocated those powers to provide and build community halls as the function resides with LM's, but flowing from the discussions between DM and LM's it has been advised that community halls be built at each ward within the LM's and be used by ward councillors as their offices because they are closer to the people and therefore reachable. The building of these community halls is a function of Local Municipality as the district is focusing on mostly water and sanitation.

Housing Development

In terms of the Municipal Structures Act 1998 no 117 a district municipality is expected “to build the capacity of local municipality in its area to perform their functions and exercises their powers where such capacity is lacking.” Chris Hani District Municipality serves to Coordinate; Support; Guide and to facilitate the process of housing development within its jurisdiction.

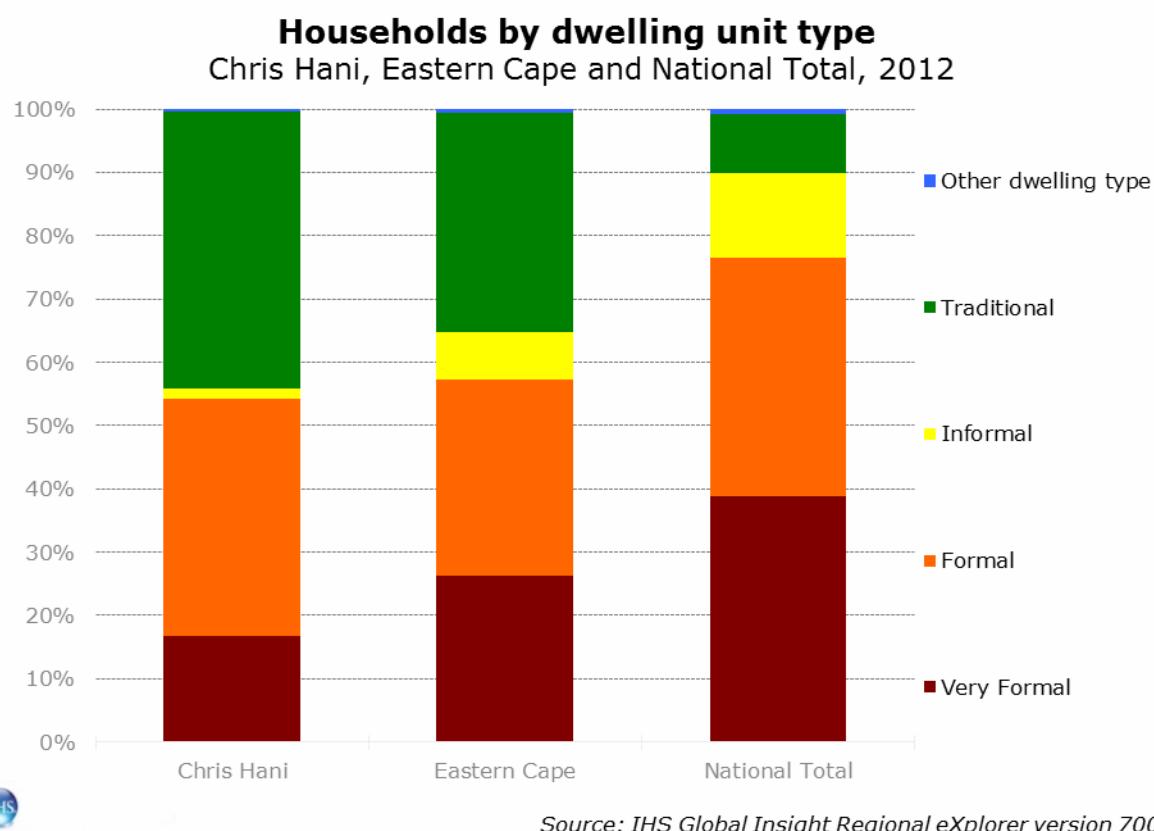
Global Insight as well as an official Stats as conducted by 2011 shows that Intsika Yethu and Engcobo municipalities are the most locals within the district with more housing backlogs.

Household by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be categorised according to type of dwelling. The categories are:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flatlet elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

CHART 56. HOUSEHOLDS BY DWELLING UNIT TYPE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 700

Chris Hani District Municipality had a total number of 35 700 (16.67% of total households) very formal dwelling units, a total of 80 400 (37.51% of total households) formal dwelling units and a total number of 3 650 (1.70% of total households) informal dwelling units.



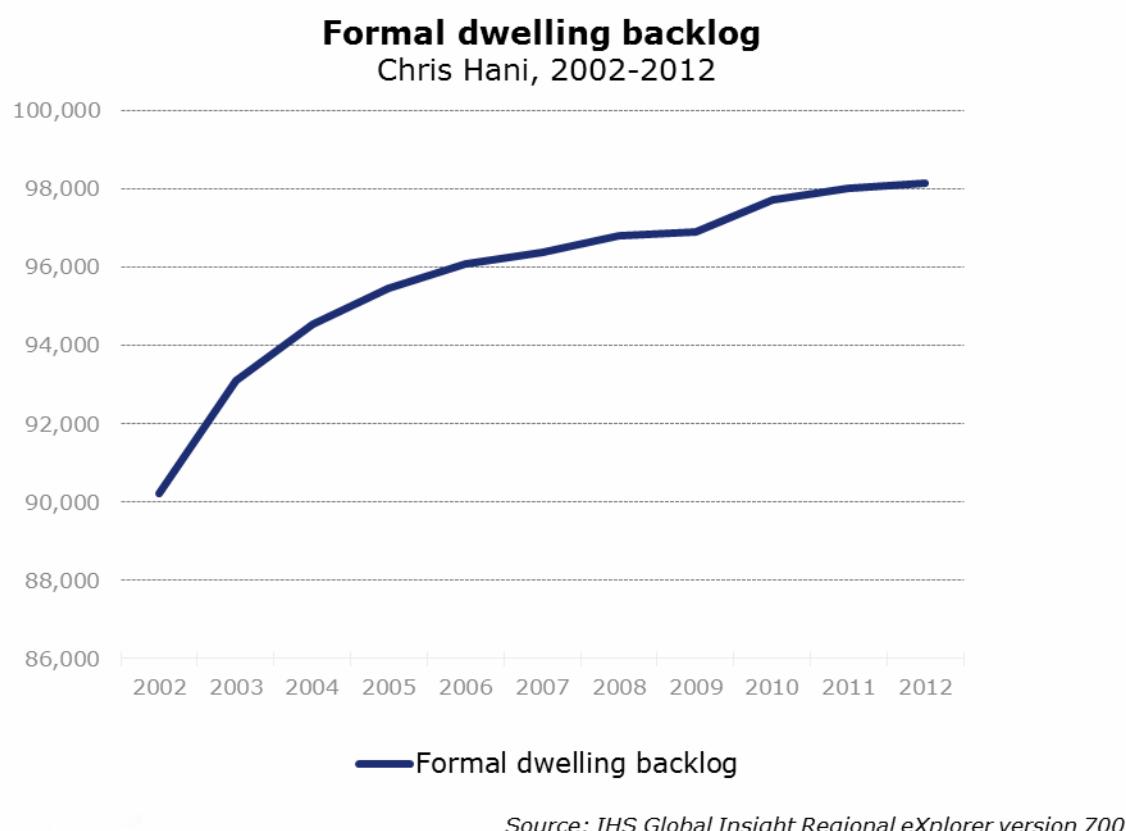
TABLE 57. HOUSEHOLDS BY DWELLING UNIT TYPE - LOCAL MUNICIPALITIES OF CHRIS HANI, 2012 [NUMBER]

	Inxuba Yethem ba	Tsolwa na	Inkwana ca	Luka nji	Intsi ka Yeth u	Emalahle ni	Engco bo	Sakhisiz we	Total Easte rn Cape
Very Formal	11,082	730	1,296	19,89 6	126	956	255	1,369	35,71 1
Formal	7,529	6,865	4,617	23,50 6	8,71 3	13,129	8,438	7,565	80,36 2
Informal	394	77	76	1,727	233	119	435	585	3,647
Traditional	126	1,697	70	7,399	30,6 89	18,178	28,29 4	7,313	93,76 7
Other dwelling type	89	29	27	175	98	53	192	75	738
Total	19,220	9,398	6,087	52,70	39,8 3 58	32,436	37,61 4	16,908	214,2 24

Source: IHS Global Insight Regional eXplorer version 700

The local municipality with the highest number of very formal dwelling units is Lukanj Local Municipality with 19 900 or a share of 55.7% of the total very formal dwelling units within Chris Hani DM. The local municipality with the lowest number of very formal dwelling units is Intsika Yethu Local Municipality with a total of 126 or a share of 0.35% of the total very formal dwelling units within Chris Hani.

CHART 57. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - CHRIS HANI DISTRICT MUNICIPALITY, 2002-2012 [NUMBER OF HOUSEHOLDS]



Source: IHS Global Insight Regional eXplorer version 700

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2002 the number of households not living in a formal dwelling were 90 200 within Chris Hani District Municipality. From 2002 this number increased annually at 0.85% to 98 200 in 2012.

The total number of households within Chris Hani District Municipality increased at an average annual rate of 1.22% from 2002 to 2012, which is higher than the annual increase of 2.07% in the number of households in South Africa.

STATUS CORE OF THE HOUSING IN THE DISTRICT

One of the key responsibilities of the Housing Unit in the district is to providing support and guidance to local municipalities that are faced with capacity challenges and financial constraints in housing delivery; to co-ordinate infrastructure projects that are directly affecting housing (sanitation and water) etc, to eliminate duplications; to assist in the monitoring of housing project etc.

In trying to address those local challenges that are facing the District in terms of housing development, CHDM ensures that housing forums are coordinated every quarter and it is chaired by the portfolio council responsible for housing in the district.

The forum is comprised of portfolio heads and officials that deals with housing; infrastructure and town planning in the district and all its 8 local Municipalities; the Department of Human Settlement in the Province and the Region; Sector departments are also invited to form part of the forum.

Chris Hani District Municipality has been granted a Developer Status for the construction of permanent emergency houses in the entire district by the Department of Human Settlement. There is currently a backlog of 1300 disaster houses to be developed in the district, of that 427 have been approved for this financial year as follows:-

- Intsika Yethu LM = 67
- Lukhanji LM = 75
- Emalahleni LM = 49
- Sakhisizwe LM = 65
- Engcobo LM = 73
- Tsolwana LM = 44
- Inkwanca LM = 24
- Inxuba Yethemba LM = 30

CDHM Council took a resolution that CHDM be one of the municipalities that gets the accreditation status. The assignment for accreditation relates to transfer of a function which includes the transfer of the authority role and the right to receive directly the funds and the assets necessary to perform the Human Settlement function. CHDM is busy with the preparatory work that needs to be done for assessment of compliance and capacity for Municipal Accreditation. It appears that CHDM is in a state to apply for Level Two, the level that deals with full programme management and administration of all housing instruments/programmes;

KEY ISSUES OF THE HOUSING DEVELOPMENT PLAN:

Skills Development

CHDM has signed a Service Level Agreement with Coega Development Corporation on Advanced Socio Economic Development and Transformation through Infrastructure Development which includes Skills Development to local labour including internship programmes, emerging enterprise development including Cooperatives. The scope of work includes, but no limiting construction of emergency house. Majority of contractors in the district are in lower grades between 1 and 3 which need support in order for them to deliver on time, at quality and cost. During the construction of emergency houses Coega will play a big role on monitoring those local emerging contractors.

Capacitating of LMs

To provide capacity and support to LMs and other stakeholders with regard to housing delivery in line with Housing Act. Guide LMs on how to develop their Housing Sector Plans, assist in the monitoring of housing projects, give support on planning and implementation of subsidy projects towards integrated settlements, Coordinating the formulation and review of housing policy and legislation.

CHDM plan will address the following issues; ensure that housing project benefit the local economy through all the housing programmes in the district. It will ensure that local people are the first preference in terms of employment in the housing project and that building material for the projects is purchased on the local suppliers of the district.

These housing programmes are all driven by an existing Housing Steering Forum which involves all Local municipalities in the district: -Housing Portfolio Heads; Municipal Housing Managers/officials; Department of Housing in the district and other stakeholders are invited when it's necessary.

Main functions of the HSCF

- To discuss housing challenges and housing demands as to get solutions
- To discuss progress reports submitted by the LMs on their housing projects.
- Identify ways of providing capacity to those LMs that are lacking and also discuss other related housing issues.

Subsequent to the role that the district will play on housing development the CHDM in partnership with Coega Development Corporation intends signing an Agreements on Advanced Socio Economic Development and Transformation through Infrastructure Development which includes Skills Development to local labour including internship programmes, emerging enterprise development including Cooperatives. As well as growing local Manufacturing especially Concrete and Timber Products, Cooperative Forum is mostly targeted in the CHDM area.

Telecommunication

Telkom is currently expanding its public phone infrastructure in the rural homeland areas with the result that the majority of Chris Hani residents do have access to some sort of telephones. Cellular phones cannot be used in all areas of the District due to the mountainous terrain, which disrupts television, radio and cell phone reception. The investment into telecommunications infrastructure is further hindered by vandalism and theft. Cellular and television providers should be lobbied to increase their network coverage in these areas so that consumers can experience a more satisfactory service.

There is still very limited access to fax and computer / internet facilities. GCIS has recently completed a survey whereby they wish to install a multi-purpose facility that will give community members access to all tele-communication facilities in each municipality.

The only existing facilities of this nature are currently located at the Qamata Great Place in the Intsika Yethu Local Municipal area, Thusong Centres and at Ngcobo town.

OVERVIEW OF CHDM TRANSPORT MASTER PLAN

When considered from a transport perspective, the Chris Hani District is of importance not only to the local socio-economic climate, but also to the country as a whole. There are two national roads passing through the district in a north-south direction i.e. the N10 and N6 as well as two rail lines. The two rail routes links Port Elizabeth and East London to the interior.

The main east-west road corridors are along the R61 from Cradock, through Queenstown and beyond, the R359 from Queenstown through Lady Frere and Cala to Elliot and the R56 from Queenstown through Sterkstroom, Molteno and Steynsburg to Middelburg.

The CHDM Transport Master plan has been carried out to prepare the District meet the demand for safe transport services and facilities. The Master plan positions the District to offer maximum accessibility to the amenities offered in cities and towns throughout the District and the many tourist facilities in the neighborhood. The Master plan intends to provide guidance on the infrastructure requirements to improve major roads and key facilities in towns, signage to guide visitors and public transport services and facilities.

The district is currently committed to the implementation of the Transport Master plan. Therefore the intention will be a joint effort with local Municipalities contributing to implementation in their areas.

The structure of the CHDM Transport Master plan includes the following chapters:

- Travel Demand and Situational Analysis
- Data Collection and Assessment
- Transport Operational Plan:
 - Infrastructure Plan
 - Public Transport Plan
 - Aviation Plan
 - Rail Plan
 - Local Mobility Plan
 - Information and Signage Plan
 - Safety and Security Plan
 - Transport Management Plan
- Branding and Marketing
- Contingency Plans
- Implementation and Evaluation Plan

The CHDM Transport Master plan also contains a clear set of recommendations to prepare the District to compliment the transportation services. By preparing this Master plan, the District shows its commitment and pursues the implementation of the Plan as a matter of priority.

Taxi services

There are 21 registered taxi associations operating in the 16 towns situated within the Chris Hani District. According to the Registrar there are approximately 1 600 active members in the different associations.

This figure excludes operators who are using sedans and bakkies/LDV. It is evident that there are some differences between the Registrar and Taxi Associations due to the frequency of the update of the Registrar's database.

From the records of the Registrar, there are currently 304 registered taxi routes in the Chris Hani District. Bakkie taxis comprise a significant percentage on the routes i.e. +/- 60 % and are dominant in Engcobo, Cofimvaba, Cala and Tsomo. The sedan operation is largest within the Lukhanji Municipality and particularly Queenstown.

Due to the large number of passengers using taxis in the District, as well as the flexibility of the taxi industry, taxis are the most prominent form of local public transport. The type of vehicles operating in the field varies from the typical minibus, to light delivery vehicles (LDVs) and sedan or passenger cars. There are also many more routes between settlements than there are within settlements. This can be explained by the fact that most of the settlements in Chris Hani are small and thus there is not a great demand for motorised travel within the settlement boundaries. Most daily activities can be accomplished on foot since the distance to be travelled is relatively small in comparison to the greater distances between settlements.

Bus Services

There are currently 31 bus operators in CHDM according to the local ECDRT office but only 11 of these have operating permits and the buses only operate in four of the eight district municipalities. The buses operate on 49 routes of which nine are subsidised. Operations on the subsidised routes were suspended due to feasibility and/or un-roadworthy vehicles. Africa's Best 350 scheme has brought 16 new buses to the CHDM routes.

Long distance travel

There are marked increases in the number of long distance journeys undertaken during holiday periods such as Christmas (December-January) and Easter (April school holidays), whereas during out-of season times there may be no services on those routes, depending on the mode. Long distance routes include a number of important destinations and include both road and rail based services. There is a close relationship between local and long distance public transport services – passengers from outlying areas would be transported on a local service to reach a main settlement and from there transfer onto a long distance service.

Even though long distance travel in Chris Hani resembles a corridor and feeder system, there is little coordination between and within the schedules and frequencies of modes and equally little consolidated information available on long distance travel.

Freight Transport

In Chris Hani, the main freight movement corridors are mainly along the national routes. Cargo is transported nationally through the district from/to the coastal towns of East London and Port Elizabeth primarily to/from Gauteng. The freight is moved by either road or rail. There are no major freight generators within the Chris Hani District other than the typical economic activities in the larger urban area, such as Queenstown.

The movement of freight has become more and more road based in the past few decades. The busiest route being the N10 carries more than 100 long/large heavy vehicles per day. This amounts to approximately 10 interlinks per hour along the route.

Rail freight

There are two primary railway lines passing through the Chris Hani District in a north-south direction. They are the East London – Bethulie route (passing through Queenstown, Sterkstroom and Molteno) and the Port Elizabeth – Cradock – Carlton route. There were also a number of other lines in the district but these are not in use or the lines have been lifted.

Rail Services

The Shosholoza Meyi operated by Transnet Freight Rail operates along two north-south routes through the municipality. The two routes are the following:

- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Molteno – Sterkstroom – Queenstown –
- Cape Town – Colesberg – Molteno - Sterkstroom – Queenstown – East London

The area is served well with rail service. These services are mostly passenger services but carry limited freight.

Air Services

There are not scheduled air services to and from any airports/airfields in the Chris Hani District. There are several airstrips near the larger towns. All the airstrips are unsurfaced, except the Queenstown airfield, which has one surfaced runway. There are a total of 10 airfields/airstrips located in Chris Hani. The airfields are mostly used for recreational and tourism activities.

Non-motorised Transport

Planning for non-motorised transport (NMT) has historically been neglected even though it is an important method of transport. The main issues witnessed during the assessment process were the unavailability of safe pedestrian facilities, such as walkways and shelters, and accommodation for people with disabilities.

Walking is a major mode of transport in the CBD areas. The surveys indicated that the highest numbers of pedestrians are found in the CBD's of Queenstown, Cofimvaba, Engcobo, Lady Frere and in Cradock and Middelburg. Pedestrians face many problems due to the limited availability of pedestrian facilities.

Scholar Transport

The importance of intervention in a scholar transport system has its roots in the fact that education levels are low throughout the District, with a literacy rate of 47.1%. It has been found that one of the reasons that contribute to the low levels of education is the lack of convenient access to schools resulting in long travel times, mostly by walking to school.

The issues that the Chris Hani District faces with respect to public transport are the following:

- Multiple small taxi operators that are tied to geographical locations are inflexible and are difficult to coordinate and integrate in a larger system
- Buying power of individual taxi operators is very low.
- Vehicle capacities are not necessarily suited to the demand
- Rail and subsidised buses operated at regional level and are not integrated into local planning

- Operator and regulatory fixation with vehicle type and layout discriminates against passenger volumes / needs and does not provide operational flexibility
- The overloading of heavy vehicles is a major contributor to the premature failure of road pavements .
- Gravel roads often become impassable in wet weather, isolating settlements that can only be reached by such means. .
- The large number of stray livestock on roads.
- Poor management and supply of transfer facilities.
- Derelict passenger rail lines and stations
- Insufficient vehicle testing and licensing facilities
- Unavailability of public transport facilities (including for the disabled)
- Lack of cooperation between Public Transport Operators and the Municipal Authorities
- Lack of Institutional capacity at Local and District level to manage transport planning and implementation.
- Insufficient supply of taxi related information, especially bakkie and sedan operations.
- Outdated information at the Taxi Registrar
- Lack of pedestrian and non-motorised transport facilities
- Lack of accident database for the Chris Hani District
- Lack of District Road Maintenance Programme
- Inadequate pedestrian signs and markings and off loading areas especially within CBD areas
- Limited traffic calming measures within areas of high accidents
- Low visibility of traffic officials and law enforcement
- Insufficient supply of taxi related infrastructure
- Public transport in the rural areas is reliant on bakkies
- By-laws limiting the operation of hawkers on side-walks are not implemented or proclaimed.

Recommendations

- Public transport should provide connectivity where private transport is unfeasible
- Each settlement condition requires a particular development and transport approach
- Strong land use management should be accompanied by integrated transport provision to achieve more compact, efficient settlements and transport services
- Tourism potential should not be ruined by uncontrolled settlement growth or insensitive transport connections

2.6.6 MUNICIPAL HEATH SERVICES

Municipal Health encompass the following services as detailed in the Constitution of the RSA, part B of schedule 4, and National Health Act, 61 of 2003:

(1) Water

- (a) Monitoring water quality and availability, including mapping of water sources.
Enforcement of laws and regulations related to water quality management.
- (b) Ensuring water safety and acceptability in respect of quality (microbiological, physical and chemical), and access to an adequate quantity for domestic use as well as in respect of the quality of water for recreational, industrial, food production and any other human and animal use.
- (c) Ensuring that water supplies are readily accessible to communities and to the planning, design, management and health surveillance.
- (d) Ensuring monitoring of and effective waste water treatment and water pollution control, including the collection treatment and safe disposal of sewage and other water borne waste and surveillance of the quality of surface water (including the sea) and ground water.
- (e) Advocacy on proper and safe water usage and waste water disposal.
- (f) Water sampling and testing in the field and examination and analysis in a laboratory.

(2) Food Control

- (a) Food safety in respect of acceptable microbiological and chemical standards and quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary ground, or raw products production up to the point of consumption.
- (b) Food inspection at production, distribution and consumption area.
- (c) Informal Street trading monitoring.
- (d) Food premises inspection and control of statutory nuisances.
- (e) Enforcement of food legislation and Codex Alimentarius.
- (f) Food quality monitoring programmes and principles through various techniques e.g HACCP audits.
- (g) Promote the safe transportation, handling, storage and preparation of foodstuffs used in the Primary School Nutrition programme (NSNP), Prisons and Health establishments, Airports etc.
- (h) Promote safe handling of meat and meat products including meat inspection and examination at abattoirs.
- (i) Promote the safe handling of milk and milk products

3) Waste Management

- (a) Waste management and general hygiene monitoring including:
- (b) Ensuring proper refuse storage, collection, transportation and transfer, processing and materials recovery and final disposal.

- (c) Liquid waste management including sewage and industrial effluents.
 - (d) Ensuring the proper storage, treatment collection, transportation, handling and disposal of health care waste and hazardous waste.
 - (e) Sampling and analysis of any waste or product (sewage) refuse or other wastes.
 - (e) Investigations and inspections of any activity relating to the waste stream or any product resulting there from.
 - (f) Advocacy on appropriate sanitation.
 - (g) Control of the handling and disposal of diseased animal tissue.
 - (h) Ensuring safe usage of treated sewage sludge and the health and safety of reclaimed waste.
 - (i) Ensuring waste management including auditing of waste management systems and ensuring the “cradle to grave” approach is adhered to.
- (4) Health Surveillance of Premises and these includes -
- (a) Environmental Health Impact Assessment including housing projects and indoor air quality monitoring.
 - (b) Assessment of factors including ventilation, lighting, moisture-proofing, thermal quality, structural safety and floor space.
 - (c) Assessment of an overcrowded, dirty or unsatisfactory condition in any residential, commercial, industrial or other occupied premises.
 - (d) Monitoring all buildings and all other temporary or permanent physical structure for residential, public or institutional use (including health care and other care, detainment, work and recreation including travel, tourism, holiday resorts and camping sites) as well as the facilities in connection therewith and the immediate precincts thereof.
 - (e) Ensuring the urban and rural land-use planning and practices that are conducive to sustainable development through sound environmental health impact and other assessments.
 - (f) Ensuring prevention and abatement of any condition on any premises which is likely to constitute a danger to health.
 - (g) Ensuring the health safety of the public passenger transportation facilities such as busses, trains, taxis, boats and aeroplanes as well as all other facilities in connection therewith.
 - (h) Ensuring compliance with the principles of agenda 21, Healthy Cities approach to integrated service rendering and the practical minimizing of any detrimental environmental health risk.
- (5) Surveillance and prevention of Communicable diseases which excludes Immunizations.
- (a) Health and hygiene promotion aimed at prevention of environmentally induced diseases related communicable diseases
 - (b) Collection, analysis and dissemination of epidemiological data and information.
 - (c) Use of Participatory Hygiene and Sanitation Training (PHAST) approaches for effective control measures at community level.
 - (d) Epidemiological surveillance of diseases.

- (e) Establishment of effective Environmental Health Surveillance and Information System at different spheres of governance.
 - (f) Develop environmental health measures with protocols with reference to epidemics, emergencies, diseases and migrations of populations.
- (6) Vector control monitoring which includes: -
- (a) Identification of vectors, their habitats and breeding places.
 - (b) Vector control of public health interest including the control of arthropods, molluscs, rodents and other alternative hosts of diseases.
 - (c) Removal or remedying of conditions resulting in or favouring the prevalence or increase of rodents, insects, disease carriers or pest.
 - (d) Residual spraying of premises and surrounds.
 - (e) Investigate zoonotic diseases and other vector borne diseases in the working and living environment.
 - (f) Surveillance of imported cargo and livestock for the prevalence of disease vectors.
 - (g) Serological tests of rodents, dogs and other pets.

(7) Environmental Pollution Control

Including: -

- (a) Ensuring hygienic working, living and recreational environments.
- (b) Identification of polluting agents and their sources, like air, land and water.
- (c) Conducting environmental health impact assessment of development projects and policies, including Major Hazardous Installations.
- (d) Identifying environmental health hazards and conduct risk assessment and mapping.
- (e) Accident prevention e.g. paraffin usage.
- (f) Approval of environmental health impact reports and commenting on Environmental Impact Assessment applications.
- (g) Ensuring clean and safe air externally (ambient and point sources), including emission inventories monitoring, modeling and toxicological reports reviews and complaint investigations.
- (h) Control and prevention of vibration and noise pollution.
- (i) Prevention and control of land pollution detrimental to human, animal or plant life.
- (j) Ensuring compliance with the provisions of Occupational Health and Safety Act and its regulations including anticipation, identifying, evaluating and controlling of occupational hazards.

- (k) Preventative measures required to ensure that the general environment is free from risk health.
- (l) Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc, which involves the control of internal impacts on the worker and external impacts on the community and the environment.
- (m) Infrastructure integrity management including pipelines and tankage.
- (n) Ensuring emergency preparedness under abnormal operating conditions and disasters jointly with other role players.
- (o) Develop sustainable indicators appropriate for monitoring the effectiveness of environmental management systems of industry.

(8) Disposal of the Dead

- (a) Control, restriction or prohibition of the business of an undertaker or embalmer, mortuaries and other places or facilities for the storage of dead bodies.
- (c) Regulating, control and prohibition of graves, cemeteries/ crematoria and other facilities for the disposal of dead bodies.
- (d) Manage, control and monitor exhumations and reburial or disposal of human remains.

(9) Chemical Safety

Including: -

- (a) Listing of all operators, fumigation firms, formal and informal retail premises, which deal with the manufacturing, application, transport and storage of chemicals.
- (b) Permitting and auditing of premises e.g. Scheduled Trade permit.
- (c) Facilitating pesticides and/or chemical safety advice, education and training.

(10) Noise Control

- (a) Assessment of the extent of noise pollution and its effect on human health.
- (b) Facilitate noise control measures.
- (c) Measuring of ambient sound and noise levels.

(11) Radiation (Ioning and Non Ionosring) Monitoring and Control

Including: -

- (a) Ensuring that ionising and non-ionising radiation sources are registered with Department of Health.

- (b) Ensuring that the registered ionising and non-ionising radiation sources meet the license conditions.
- (c) Monitoring the safe transportation of radioactive material to ensure compliance.
- (d) Ensuring that radioactive sources are licensed with the Nuclear Energy Council of South Africa.
- (e) Ensuring that all radiation material wastes from hospitals and other licensed establishments are properly disposed of.
- (f) Ensuring safety against any form or sources of electro-magnetic radiation.

(12) Control of Hazardous Substances

In terms of control/monitoring the following is undertaken by the district:-

- (a) Ensure that substances are correctly labeled.
- (b) Ensure that all active ingredients are indicated.
- (c) Ensure that warning signs are indicated.
- (d) Ensuring that precautions are taken during storage/transportation and appropriate protective gear is utilized during handling.
- (e) Ensure that all substances are registered with the Departments of Agriculture and Environmental Affairs.
- (f) To ensure control of substances to prevent injury, ill-health or death by reason of their toxic, corrosive, irritant or flammable nature.
- (g) To control the importation, manufacture, sale, operation, application, modification or dumping of such substance.
- (h) To undertake licensing and registration of premises.
- (i) Inspection of premises to ensure safety, storage, compliance, precaution measures, etc.
- (j) Ensure sampling is done according to approved procedure.
- (k) Ensure that all labeling regulations are complied with.
- (l) Check on all stock records and ensure hazardous substance register is up-dated.
- (m) Ensure that empty containers are disposed of according to statutory requirements.

Background and Status of Municipal Health Services in the District Municipal area

The significant role that Environmental Health Services play in the economy and health systems of South Africa has been overlooked for many years and we hope that this process will open more doors for dialogue to promote and develop the service and the profession to serve its purpose to ensure that our communities live, work and recreate in accordance with their constitutional right, in a healthy and safe environment.

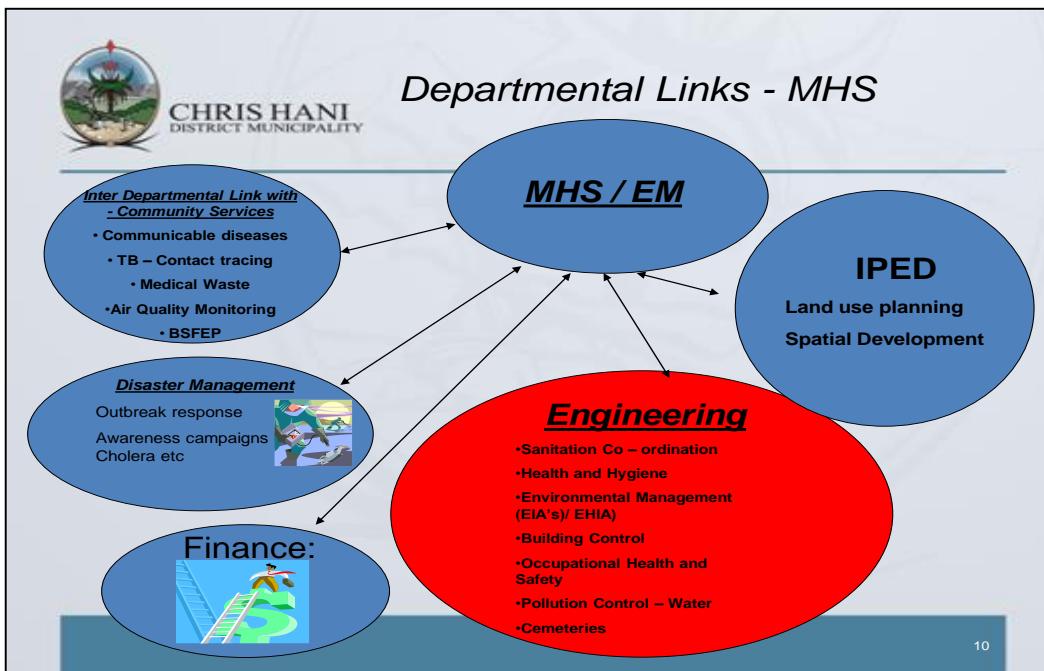
Environmental Health Services were in the past and in some cases still are fragmented with the different service providers such as local, district and metropolitan municipalities as well as the provincial department of health that rendered the services in the same areas, everybody mainly focusing in another angle of environmental health. Governments aim was to rationalise the health services and therefore they introduced a local government based District Health System as the vehicle to render Primary Health Care services to the communities. Therefore the Constitution made mention of the term municipal health services as a local government function. The latest developments in the delivery of environmental health service by local authorities are influenced and directed therefore, by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), that first promulgates three categories of municipalities, namely A – metropolitan municipalities, B – local municipalities and C –district municipalities. It also makes mention of municipal health services under Part B of Schedule 4 of the Constitution, which is a responsibility of the Metropolitan and District Municipalities in accordance with section 84(1) of the Municipal Structures Act, 1998 (Act 117 of 1998) and section 32(1) of the National Health Act, 2003 (Act 61 of 2003). Municipal health services are also included in the term health services in the last mentioned act.

Nevertheless, the term municipal health services that are allocated to metropolitan and district municipalities, includes a list of selected environmental health services (EHS) activities and aspects. Therefore, the metropolitan and district municipalities are the authorities to implement and render municipal health services. In view of the latter, our Council had in 2006 conducted section 78 assessment in order to fully inform the process of transferring municipal health services from category B municipalities and the Province back to where they belong in terms of the afore mentioned pieces of legislation. Since that time, to date, this process presented a number of financial and human capital challenges. As a result, the transfer of staff although done it had some challenges which are to be ironed for good.

The matrix above will take cognisance of the population ratio as dictated by the national norms and standards, which categorically states that one (1) EHP per 15 000 population.

Internal stakeholder relations

The diagram below shows the relationship this unit has with other departments within CHDM that continuously support this unit in an endeavour to achieve its fundamental objectives and goals. This relationship is existing despite challenges that are however manageable.



Sanitation Resource Centre

The main purpose of the centre is to promote safe sanitation within the district and also educate communities on health and hygiene practices.

2.6.7

ENVIRONMENTAL MANAGEMENT

This Environmental Management unit is legislatively informed by the National Environmental Management Act 107 of 1998 wherein its function is to address environmental management and climate change related issues. Critical to this unit is the development of a district wide Climate Change response Strategy. This will be done in collaboration with all other interested and affected stakeholders. The strategy will address adaptation and mitigation measures in an attempt to conserve the natural resources that exist within the district. This unit strives to ensure realization of Section 24 of the Constitution wherein it is stated that everyone has the right to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation, ensuring conservation and ecologically sustainable development and use of natural resources.

1. Waste Management

Chris Hani District Municipality is not performing the task of refuse removal. The refuse removal services are performed by the local municipalities and in this case the 8 local municipalities performing this task of refuse removal are Lukhanji, Sakhisizwe, Inxuba Yethemba, Ngcobo, Emalahleni, Tsolwana, Intsika Yethu and Inkwanca local municipalities. The local municipalities provide high quality standards of waste management services considering their rural nature and economic stress. Waste is collected on a daily basis in town and in urban residential areas and townships the waste is collected twice a week.

There are refuse receptacles in a form of skips and rubbish bins in towns and the refuse removal vehicles, tractors and trucks are in good conditions. The waste is disposed in the landfill sites which are managed at local municipal level.

Waste Management Planning and Projects

CHDM assisted all the 8 local municipalities by developing the Integrated Waste Management Plans. This means that all local municipalities within CHDM have integrated Waste Management Plans which are currently under review. Through CHDM's partnership with the national Department of Environmental Affairs (DEA), Youth Jobs in Waste Programmes are being implemented in all 8 municipalities in the region. These programmes mainly focus on waste collection, recycling & sorting of waste, awareness campaigns as well as landfill sites management. The DEA provided funding and support towards licensing of Cradock landfill site and rehabilitation of the Whittlesea, Hofmeyer and Dordrecht waste sites. Several EPWP programmes are implemented in municipalities towards cleansing, establishment of buy back centres and recycling.

1. Greening and Land Care Programmes

In relation to greening, CHDM has resolved to 'green' its events by planting trees as means of striving to counteract the carbon footprint. Trees are planted for the purpose of greening especially in towns, villages and schools. As part of greening and land care, CHDM is implementing job creation projects for correcting environmental degradation by means of eradicating invasive alien plants and encroaching species like *Euryops* (*Lapesi*), Black and Silver Wattle. The Wattle Eradication Programme and or Land Care Management Programme are implemented in certain areas of Ngcobo, Lukhanji, Sakhisizwe, Emalahleni and Intsika Yethu municipalities. The greening and environmental rehabilitation programs have also been expanded to include research and a management program for Satansbos at Inxuba Yethemba municipality. The main objectives for land care and greening programmes are as follows:

- Alleviate poverty through responsible environmental management
- Create employment for the communities
- Promote behavioral change with respect to environmental management
- Protect the environment and ensure the safe use of land

2. Environmental Education and Awareness Programmes

Awareness programs are conducted on environmental quality management, land care and sustainable development in relation to climate change. Observation of environmental days like Arbor Day, World Environment Day and Water Week helps in raising the awareness in terms of identified themes for those programs on an annual basis. Environmental education programmes are also conducted in schools. The impact of these capacity building sessions cannot be overemphasized as we can see that CHDM is now ready to address the scourge of climate change and make it beneficial to the citizens of this region through greening, recycling, and renewable energy initiatives. Environmental education programmes are also conducted in schools.

3. Environmental Planning and Management

Chris Hani DM is in the process of developing Climate Change Adaptation and Mitigation Strategy as well as the Air Quality Management Plan. The Integrated Waste Management Plans are under review. The environmental planning tools currently used are the Environmental Management Plan and the Spatial Development Framework. Several capital projects which require Environmental Impact Assessment are included in the list of CHDM's capital projects in this document.

4. District Wide Environment and Climate Change Forum

In February 2012, CHDM hosted a District Wide Institutional Strategic planning session in preparation for a 5 year IDP (2012 – 2017), wherein climate change was prioritised by all Departments in the name of mainstreaming. Subsequently, a climate change summit was convened on 27th – 29th February 2012 with a resolution to functionalize a district climate change forum. It is against this background that the Environment and Climate Change Forum has since been operational. The forum focuses on a wide scope of environment and climate change aspects affecting the district including local municipalities pertaining to:

- Education, awareness and capacity building
- Compliance, Legislation and policy (requirement and formulation)
- Biodiversity
- Waste Management and Air Quality

CLIMATE CHANGE

Climate change is defined as the statistical significant and lasting change in the characteristics of the climate system. Besides natural processes, climate change may result from human activities, as is the case with the current climate change concerns. The major concern as a significant of climate change is the increased emission of greenhouse gases, e.g. Carbon Dioxide, Methane, Nitrous oxide and Halocarbon gases that contain fluorine, chlorine and bromine – mainly used in aerosols.

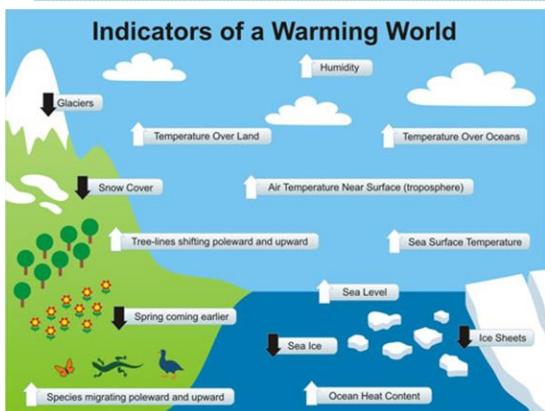
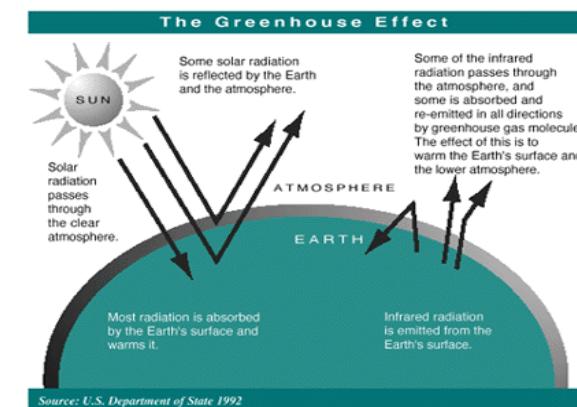
The Impact of Climate Change and International Efforts to deal with the Challenge:

A key characteristic of the current climate change is global warming which refers to the general increase in surface temperatures across the world. The main concern and urgency about dealing with climate change is that the process is irreversible. Scientific evidence gathered from different research activities around the world strongly indicate that the climate is changing and the main contributor to these changes are human activities.

The use of fossil fuel, e.g. coal, in energy generation is one of the major producers of greenhouse gases which are destroying the atmosphere resulting in the increase in surface temperature due to ozone depletion. Other factors that contribute to the climate change include the use of aerosols, cement manufacture, animal agriculture and deforestation.

The international community is alarmed by the current rapid change in climate, which is leading to **global warming**, and this has led to international consultation and attempts to reach

consensus on measures that need to be adopted to reduce the impact of climate change, at forums such as the **United Nations Framework Convention on Climate Change (UNFCCC)**, the **Kyoto Protocol** (1997) and **COP-17** which was held in South Africa in 2011 has not really yielded the intended results.



Some of the noticeable effects from climate change in South Africa include the change in the type, distribution and coverage of vegetation which has affected agricultural activities, especially in rural areas like Chris Hani District Municipality (CHDM) and areas with semi-desert especially the Eastern Cape Province. South Africa is already experiencing some effects of change in climate such as the recent extreme weather patterns e.g. very hot and cold seasons and heavy rains and flooding, with droughts hitting other parts of the country, these do not follow the known or anticipated climatic conditions.

The Need to Urgently Adapt and Mitigate the Impact of Climate Change:

Climate change requires that all nations, act now and together without exception. The impact of changes to the climate stretches beyond territorial boundaries. There is consensus among researchers that, adaptation policies and programmes need to be implemented without delay on a multi-scale level to reduce the envisaged crisis and disasters that are associated with climate change. According to some experts the projected climatic changes for Africa suggest a future of increasingly scarce water, collapsing agricultural yields, encroaching desert and damaged coastal infrastructure.

South Africa is a water scarce country, and this natural resource is seriously threatened by the current global warming that characterizes climate change. At provincial and local government levels including District like CHDM, this will require more collaboration in seeking solutions and adapting so that the contributing factors to this phenomenon are reduced.

It is envisaged that the impacts of climate change ‘will be magnified or moderated by underlying conditions of governance, poverty and resource management, as well as the nature of climate change impacts at local and regional levels’. In 2008, the Secretary General of the Organisation for Economic Cooperation and Development (OECD), Angela Guirra, made the following statement, during a Conference on “Competitive Cities and Climate Change”, “In our cities, citizens, industries and institutions must respond to the challenges of technological change and globalisation. In our cities, as elsewhere, we must deal with the social implications of change (...) Urban areas could (also) play a central role in successfully addressing global environmental challenges (...) Cities generate almost 70% of total gas emission. **There is no doubt that improvements in urban design, housing stock, traffic congestion and accessibility, disaster prevention and waste management, are crucial component of a strategy to combat global warming.** If cities fail to deal effectively with environmental challenges, our planet is in serious trouble”. - Competitive Cities and Climate Change. OECD Conference Proceedings, 9-10 October 2008, Milan, Italy.

The relevance of this statement can never be under estimated as we see the urgency of the need for all of us to act decisively in dealing with what has been described as one of the man-made security threats of this century. Experts gathered at the OECD 2008 Conference proposed that:

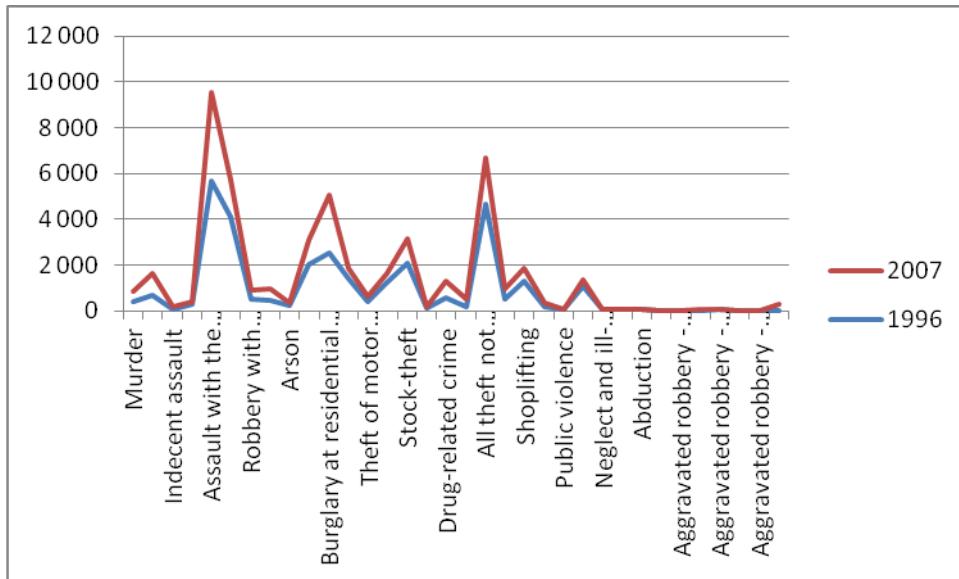
“Strong and effective urban policies that enable cities to benefit from globalising processes require flexible, multi-level forms of inter-governmental joint action. The need for a multi-level governance framework for urban development policies is particularly critical for addressing climate change. City and regional leaders are generally best suited to design strategies for addressing their own local climate change risks. Likewise, local governments are needed as partners to implement nation-wide climate change response policies, while at the same time designing their own policy responses that are tailored to local contexts.”

It is within this background and within the context of South Africa’s experiences and unique conditions that it has been deemed fit to develop and spearhead the programme on Climate Change within our CHDM, as part of a District wide adaptation strategy.

2.6.7 Safety and Security

Whilst crime remains a serious issue within the District, the SAPS are undertaking numerous strategies through which to combat crime. SAPS records the incidence of crime on a daily basis, and utilises this information to manage the crime situation in the region. The most significant rises in crime as indicated by the chart below are in indecent assault, residential burglary and theft not covered in other categories.

A study done by the department of Social development have indicated that there is a rise in the gender based violence index from 0.16 in 2006 to 0.29 which is worrying and can be linked to the rise in assaults on women.



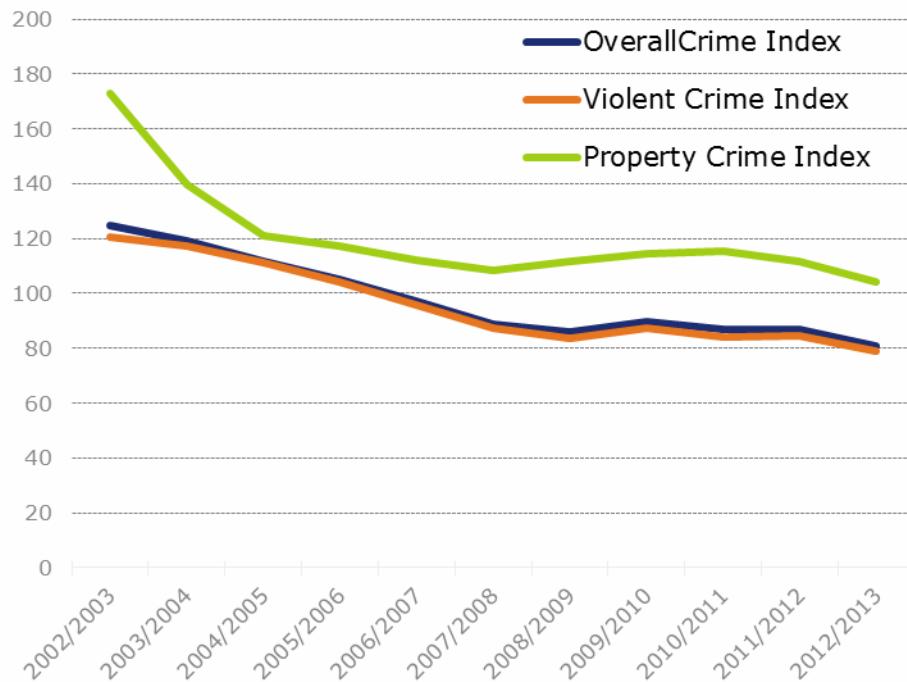
Some of the key challenges faced by SAPS in addressing crime relate to the poor quality of some roads which lead to police stations. This is most notable in rural areas. The result is such that it is difficult for the residents of the area to access police stations. In addition, infrastructure capacity – particularly with regards to the holding cells is an issue. There is currently insufficient jail accommodation in the area. As a result, many convicted prisoners are kept in holding cells.

It is noteworthy that the SAPS boundaries and those of the Local and District Municipalities do not coincide. As a result, the coordination of activities is often a challenge.

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

CHART 58. IHS CRIME INDEX - CALENDAR YEARS (WEIGHTED AVG / 100,000 PEOPLE) - CHRIS HANI DISTRICT MUNICIPALITY, 2002/2003-2012/2013 [INDEX VALUE]

Overall, Violent and Property Crime Index
Chris Hani, 2002/2003-2012/2013



Source: IHS Global Insight Regional eXplorer version 700

For the period 2002/2003 to 2012/2013 overall crime has decreased at an average annual rate of 4.25% within the Chris Hani District Municipality. Violent crime decreased by 4.17% since 2002/2003, while property crimes decreased by 4.93% between the 2002/2003 and 2012/2013 financial years.

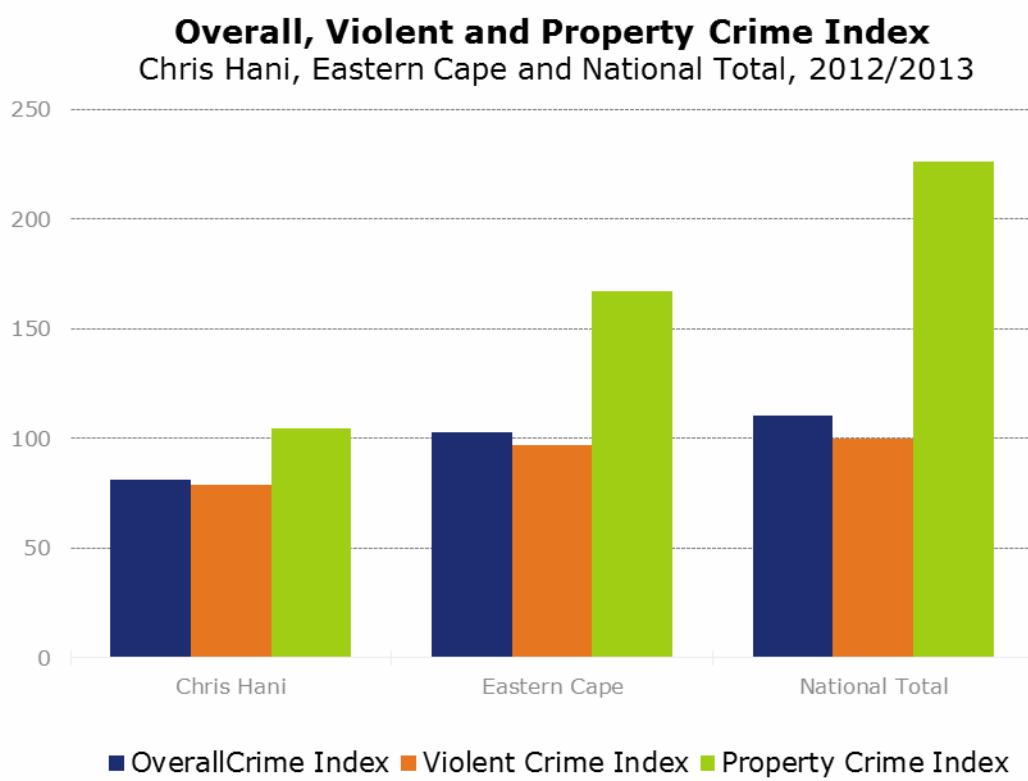
TABLE 58. OVERALL CRIME INDEX - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2002/2003-2012/2013 [INDEX VALUE]

	Chris Hani	Nelson Mandela Bay	Buffalo City	Cacadu	Amathole	Joe Gqabi (Ukhahlamba)	O.R.Tambo	Alfred Nzo
2002/2003	124.91	233.05	199.91	250.30	114.73	121.59	77.78	67.88
2003/2004	118.99	217.35	196.78	242.89	116.67	120.23	81.23	62.21
2004/2005	111.88	215.80	194.11	244.15	116.53	122.89	78.28	62.93
2005/2006	105.28	197.55	175.97	234.94	106.12	110.06	91.55	63.08
2006/2007	97.22	201.13	170.88	228.21	96.52	102.82	73.58	59.13
2007/2008	88.97	178.24	171.28	207.26	92.03	90.47	69.00	59.65
2008/2009	85.86	177.21	168.31	207.38	87.87	83.41	61.86	54.87
2009/2010	89.72	165.82	162.03	201.50	94.61	88.92	65.67	60.44
2010/2011	86.70	162.78	155.79	184.91	95.05	90.80	69.85	56.68
2011/2012	86.73	157.89	156.27	171.22	99.73	93.11	66.97	55.43
2012/2013	80.88	151.44	144.07	160.99	98.08	93.16	65.15	54.81
Average Annual growth								
2002/2003-2012/2013	-	-4.22%	-	-	-1.56%	-2.63%	-1.76%	-
	4.25		3.22	4.32			2.12	
	%		%	%			%	

Source: IHS Global Insight Regional eXplorer version 700

In 2012/2013, the Cacadu has the highest overall crime rate of the Districts and Metros within the overall Eastern Cape Province with an index value of 161. Nelson Mandela Bay has the second highest overall crime index at 151, with Buffalo City having the third highest overall crime index of 144. It is clear that all the crime is decreasing overtime for all the regions within Eastern Cape Province. O.R.Tambo has the second lowest overall crime index of 65.2 and the Alfred Nzo has the lowest overall crime rate of 54.8. It is clear that crime is decreasing overtime for all the regions within Eastern Cape Province. The region that decreased the most in overall crime since 2002/2003 was Cacadu with an average annual decrease of 4.3% followed by Chris Hani with an average annual decrease of 4.3%.

CHART 59. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2012/2013 [INDEX VALUE]



From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

2.6.8 Disaster Management & Fire Fighting Services

CHDM has a well established Disaster Management Centre which was officially opened in 2005. It operates with some average staff and with limited resources, on the communication side this has since been addressed as a world class communication system has been installed and deals with disasters in terms of issuing of early warnings, receiving calls and dispatching response vehicles and making Incidents Reports. Within the district there are six Satellite Centres in that are located in strategic municipalities which are operating with three officials each which are equipped with information communication systems and linked to all emergency responses agencies and it is the responsibility of these centres to conduct vulnerability and risk assessment as they are closer to communities.

These satellite centres are not fully equipped with all proper infrastructures and district is making in-roads in terms of addressing the bottlenecks. The officials in those satellite centres are responsible for educating the communities on disaster management risk reduction practices as embodied in the Disaster Management Act 57 of 2002 and Disaster Management Framework of 2005 respectively.

So as part of their daily operations they are to undertake these programmes of conducting community vulnerability and risk identification. In response to the climate change challenges, the district will conduct a scientific risk assessment in the next financial year that will inform the development of a Disaster Management Plan. The municipality adopted its Disaster Management Plan in 2012-13 and is annually reviewed and adopted by council together with all other sector plans and is the one that guides and informs how disasters must be managed and addressed looking into the Spatial sphere of the district as chapter 4 of the IDP document broadly explains the Spatial Development Framework of the district.

Within Disaster Management Centre Fire fighting services are located at there, though the district is responsible for hazardous and veld fires it has also extended its services to the local municipal areas where resources are not available or insufficient to perform the services effectively. The district is on a mission of determining the roles and responsibilities of this function between category B municipalities and Chris Hani DM as this will give effect to formalization of working relations between these spheres of government as some functions tend to overlap between CHDM and its LM's, but this does not mean the function wont be undertaken as there is a co-operative agreement in between municipalities. Chapter 3 of this IDP indicates how this process will unfold.

For the year 2015-2020 CHDM has developed CHDM District Fire Services Plan with the understanding that Chris Hani District Municipality is prone to many human- induced and natural veld, forest and mountain fires which occasionally leads to loss of live-stock, lives or injuries, property, economical loss and environmental degradation (damage the natural resources base or adversely alter natural processes or ecosystem. In the past decade, these fire occurrences have become more frequently and severe. A detailed analysis is on the plan itself which can be assessed on municipal website.

HIV & AIDS EPIDEMIC

The issue of HIV&AIDS Coordination needs to be clearly articulated as contained in the National Strategic Plan on HIV and AIDS, STIs and T.B., DPLG framework and SALGA country plan of HIV&AIDS within the local government environment. This has been explicitly explained under the section of demographics above.

HIV AND AIDS PREVALENCE WITHIN CHRIS HANI DISTRICT MUNICIPALITY

Antenatal Sentinel HIV and Syphilis Prevalence Survey for Chris Hani District Municipality show that HIV and AIDS prevalence was 27.1% in 2006, then increased to 30.2% in 2007, then decreased to 27.0% in 2008 and remained at 27.0% in 2009 but increased to 30.1% in 2010. HIV and AIDS prevalence among CHDM employees and councilors was found to be 16% in the baseline survey conducted by Epicentre in February 2009. CHDM continues to invest in its communities and its workplaces through implementation of community and workplace HIV&AIDS programs. In the workplace programmes within CHDM education and awareness programmes are conducted internally at departmental and at institutional level.

HIV and AIDS workplace committees within CHDM and in the local municipalities have been established and they assist in planning and implementing HIV and AIDS workplace programmes. Peer educators as part of internal programs also assist in identifying departmental needs and implementation of departmental HIV and AIDS programmes. Peer educators also capacitated to provide counseling and support to their peer within the departments. They also assist in condom distribution and monitoring of consumption of condoms. The prevention programmes are aimed at preventing new HIV, STI and T.B. infections and re-infections to those already infected HIV Testing and Counseling Services are continually offered to the employees and councilors in line with programmes and events conducted to encourage employees and councilors to know their health status which includes HIV, STI's and T.B. These programmes are implemented as informed by HIV/AIDS, STI & TB Workplace Policy which has been adopted by Council towards end of 2013-2014 financial year.

The education programmes also focus on the human rights and as well as responsibilities of employees. Employees are informed about policies and other legislations to empower them to know their rights and responsibilities and to be able to exercise these in the context of HIV and AIDS. Other programmes which are conducted are care and support programmes which are aimed at providing support to the employees and councilors infected and affected by HIV and AIDS. These programmes are implemented in partnership with internal and external stakeholders such as Wellness programme, Special Programmes Unit and other stakeholders. Individual employees are able to access individual counseling from HIV and AIDS section or Wellness Programme. Referrals are also made to external services. National and International calendar events are also commemorated however the focus is more on implementing programmes for maximum impact.

Chris Hani District Municipality HIV and AIDS unit also provides technical guidance and support to the Local Municipalities and other stakeholders within the district for the implementation of internal and external HIV and AIDS programmes. Partnerships have been made with all the local municipalities within Chris Hani District Municipality for both internal and external HIV and AIDS programmes in implementing programmes such as Sexually Transmitted Infections and Condom use promotion, Candlelight memorial and World AIDS day. A policy for Mainstreaming of HIV and AIDS by all departments within Chris Hani District Municipality, its local municipalities and district wide has since been developed and it involved all stakeholders in the process and they will be capacitated for its implementation. All these programmes are aimed at reducing the impact of HIV and AIDS within the district.

CHDM also coordinates implementation of integrated HIV and AIDS programmes within the communities through forums such as District AIDS Council, Local AIDS Councils and Ward AIDS Councils. LACs have been established and inducted in all local municipalities. Ward AIDS Councils have been established and inducted in six local municipalities. These forums ensure integrated planning and implementation of HIV and AIDS programmes within the communities. Some of the programmes of DAC are research conducted during door to door campaigns which is aimed at identifying service delivery needs of communities as well as educating household on a numbers of issues such as health and social issues, HIV and AIDS, social grants and other issues. The District AIDS Council (DAC) has conducted door to door campaigns in the seven local municipalities.

DAC also provides capacity building for its stakeholders on identified capacity needs. As part of DAC programmes, partnerships have been held with various stakeholders such as Chris Hani Choral Music Society, Chris Hani Council of Churches, Department of Sport, Recreation, Arts and Culture and Walter Sisulu University.

Policies and Strategies developed to address and mitigate impact of HIV/AIDS within the district and these were adopted by council.

- HIV and AIDS Workplace Policy adopted in 2007 and later reviewed in 2013-2014 and adopted by Council.
- HIV and AIDS Strategic Plan Document for Workplace Programme developed in 2010, adopted by council.
- District HIV and AIDS Strategy Document 2008 – 2011 has been reviewed in 2012 and its in the process of finalisation and to be adopted by council.
- Mainstreaming of HIV/AIDS, STI & TB Mainstreaming Policy which has been adopted by Council towards end of 2013-2014 financial year.

Key issues within HIV/AIDS Workplace Strategic Plan developed in 2010 are:

Levels of HIV infection among the participants, according to five-year age bands, are tabulated on the starategy. HIV infection levels were highest among employees below age 50 years.

Due to the fact that the Chris Hani District Municipality has a relatively older workforce (with about 60% of the employees tested being over age 40 years) it can be expected that many employees with HIV infection may be moving into the later stages of infection and that increasing numbers will be getting sick.

Stigma levels are high, with 99% of the employees surveyed believing that they will lose their job if they disclose their HIV status. This means that the municipality's HIV and AIDS policy needs to be better communicated, and that there is a need for HIV and AIDS-related training among management personnel in order to enable communication and implementation of the policy.

The employees appear to face high levels of exposure to HIV; 2 out 3 of those surveyed reported that they had nursed a person with HIV. Thus, there is a need for more HIV and AIDS-related training for municipal employees.

Among the municipality's employees, the peer educators are not effectively training their peers, and meanwhile they require tool kits to training their peers. This is a serious gap in the current peer education programme.

The employees generally believe that the municipality's HIV and AIDS workplace programme is of value, but they would like it to focus more on HIV and AIDS-related treatment and life skills. About 50% of the employees surveyed knew their HIV status.

Overall, the employees would like VCT offered annually through the workplace. Several other health problems were reported by the employees: 88 reported having high blood pressure, 17 had asthma, 20 had diabetes, and 54 said they had symptoms of TB. Mental illness is perhaps the fastest-growing disability problem. The survey found significant levels of mental illness among the municipal staff who participated. A large number of employees reported symptoms of stress and depression. About 70 employees said they suffered from stress, did not sleep well at night, have headaches, or are tired all the time. About 30 employees said they were depressed. More than 50% of the employees reported money problems and consequently needed financial training. The results also indicate that gambling is a problem as a large percentage of the employees reported that they gamble.

CHRIS HANI DISTRICT HIV AND AIDS MAINSTREAMING STRATEGY

The strategic plan document guides Multisectoral coordination of HIV and AIDS programmes within the district through the District AIDS Council (DAC). The DAC is a multisectoral, multi-stakeholder structure that is coordinated within the CHDM. It is located in the office of the Executive Mayor, Chaired by the Portfolio Councilor for SPU, Public Participation and HIV and AIDS and administratively coordinated within the office of the Director, Health and Community Services by the HIV and AIDS unit. The DAC has subcommittees that are formulated according to the priority areas mentioned above. The sub-committees ensure the implementation of the council programmes and projects that are related to HIV and AIDS within the entire district.

The Strategic Plan focused on 8 Priority areas in response to HIV & AIDS within the Chris Hani District Municipality area of jurisdiction.

Priority 1: Prevention, Education, Awareness and Condom distribution

Priority area 2: Care and support for people living with HIV and AIDS (PLWHA)

Priority area 3: Care and Support for orphans and vulnerable children (OVC)

Priority Area 4: Circumcision

Priority area 5: Access to Human Rights and Justice

Priority area 6: Research, Monitoring and Evaluation

For the year 2015-2016 financial year CHDM did a major review of the HIV, AIDS, STIs and TB Mainstreaming Strategy. This workplace strategy is one of the Chris Hani District municipality's contribution in the broader national and provincial integrated response to the challenges posed by the HIV and AIDS pandemic and its purpose is to bring into life the CHDM HIV and AIDS workplace policy framework through development, co-ordination and implementation of appropriate HIV and AIDS workplace programmes that include:

- a) To help CHDM staff and partners understand the principles and stages in mainstreaming HIV and AIDS.
- b) To develop a clearer understanding amongst staff and partners about integration activities and holistic mainstreaming.
- c) To give practical advice about implementation, through user-friendly, adaptable steps towards mainstreaming

3 CHDM Anti Poverty strategy

The institution developed its own Anti Poverty Strategy taking a tune from the Eastern Cape Anti Poverty startegy. The main purpose of the strategy is to work on identifying the challenges that are poverty related and put forward the fundamentals of what the district will consider as an appropriate responses to address those challenges in an comprehensive, multi – dimensional, sustainable and well being manner.

The mandate to formulate the strategy derived from various platforms; the Chris Hani District Municipal Council took a resolution that the strategy be developed.

The overall objective of this strategy is to eradicate poverty. In fighting poverty the strategy will focus on the creation of economic opportunities and enabling or empowering communities and individuals to access available opportunities in the district.

The aim is ensure social assistance and provision of basic services and ensure sustainability of the program by equipping communities to support themselves. Most importantly we aim at resolving poverty through improving the economic situation of households, by ensuring and facilitating a coherent approach towards the implementation integrated programmes and strategies.

The strategy focuses on the following key elements:

- Comprehensive understanding of Poverty (definitions, determinants, indexes and measurements)
- Strategic targeting of areas, packaging of programmes that will have the strongest Poverty Reduction impact
- An acknowledgement of each department's responsibility, and other stakeholders' responsibilities in ensuring poverty eradication.
- Encouraging inclusive and participatory setting of targets and monitoring of outcomes or success indicators
- The facilitation of intergovernmental collaboration, resources mobilisation, allocation and interrogation

Expanded Public Works Programme & Community Works Programme

The institution is a beneficiary to the national programme of Expanded Public Works Programme and has developed a policy around EPWP which was adopted by Council in 2010 and reviewed annually. The policy identified Learnership and Job Creation as two key initiatives that CHDM can implement EPWP.

Learnership

From the programme 23 learner contractors had been appointed for the next intake of learnership on EPWP. These contractors are appointed for the period of three years working in different project i.e. water and sanitation. The project Intsika Yethu Sanitation has been identified as one of the labour intensive project that will be done by these learner contractors. Learner contractors were awarded the project Intsika Yethu Sanitation in May 2011.

There were challenges with suppliers who do not trust contractors but 16 of them manage to finish the project in time. The other 7 are still busy on site. The contract duration for the project is 6 months which ended in February 2012. Due to the delays the contract duration was extended to end March 2012. Since learnership involve labour intensive and training, contractors will resume with classroom training from the 2nd of April 2012 for them to qualify for NQF Level 4. The training will take 8 weeks and after that they will be working on another Sanitation project under Cemforce construction.

Job creation

Under the EPWP the municipality has also been allocated R16.4million incentive grant for 2013/14 financial year. To earn this allocation, three directorates/ departments within the institution, IPED, Technical Services and Municipal Health Services, are participating on EPWP. CHDM has a target of creating 3750 work opportunities and 709 Full Time Equivalent (FTE's) for 13/14 FY. A total number of 6127 work opportunities have been achieved and 612 FTE's achieved in all EPWP projects as was reported to the Department of Public Works. Further than that the municipality has earned an amount of R5, 413 million from July 2013 to December 2014 for the job creation programme.

Since there are Municipalities that are failing to achieve their target due to limited funding, the Department of Public Works has diverted from the Schedule 8 (performance based) to Schedule 5/6 (conditional) grant, starting from 1 July 2013. Municipalities will be given 40% of their allocation upfront and for them to claim the rest they are expected to spend the 40% first. The Planning Unit unit also does a programme of Paving, Beautification and Greening through the concept of Small Town Revitalisation where labour is sourced from the affected areas and paid through EPWP incentive. For 2013-14 an amount of R10,5 Million was utilized on Paving and out of that jobs were created throughout the district in municipalities like Inkwanca, Tsolwana, Lukhanji, Inxuba Yethemba etc. Following year 2014-15 same amount of R10,5 Million was also utilized for the same concept. For 16/17 FY our allocation is R9,6 million with a target of 1200 FTE's.

Community Works Programme

Community works programme was launched as a pilot project under the auspices of the Presidency and Social Development in 2007 and was further included as EPWP new element in 2008. Its main aim was to provide a safety net by providing minimum level of regular work opportunities and to supplement the existing livelihood strategies and reduce poverty and deprivation amongst unemployed. Within the Chris Hani District Municipality there is only one municipality not having site by 2013-14 and that is Emalahleni LM. For 2013-14 the participation rates were as follows

Intsika Yethu= 1000 Target Participants Rates with 300 Original Participation Rate

Sakhisizwe = 1000 Target Participants Rates with 1000 Original Participation Rate

Tsolwana = 1000 Target Participants

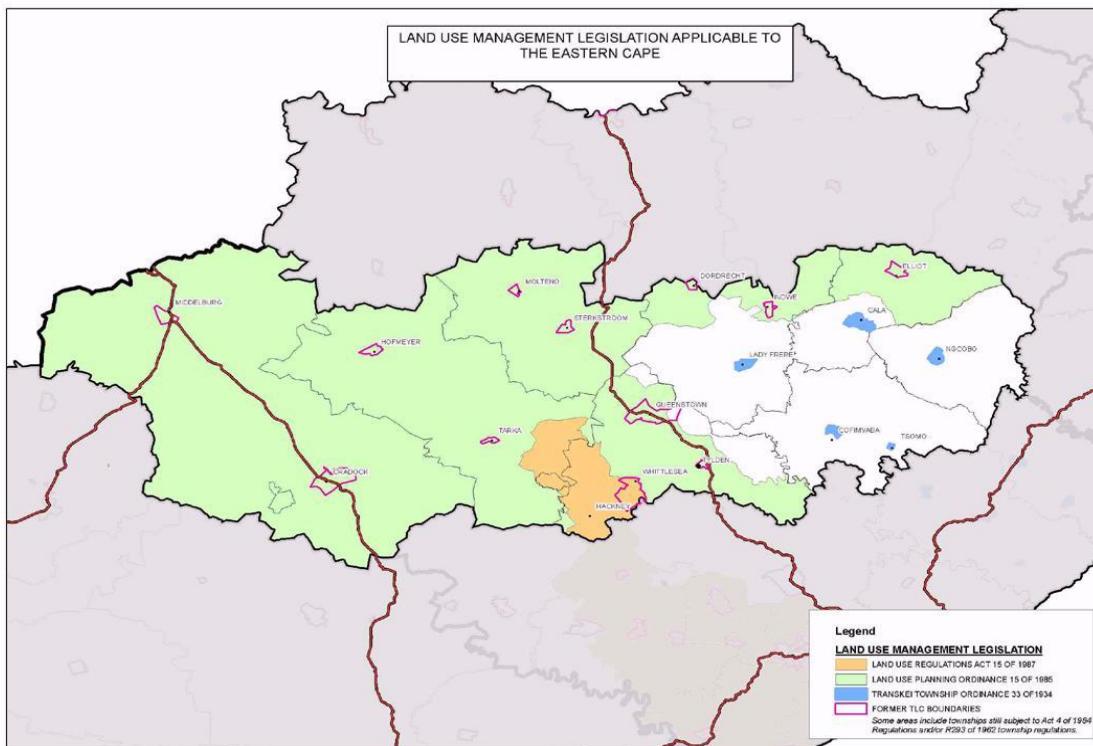
Inkwanca = 1000 Target Participants

Lukhanji = 1000 Target Participants

Engcobo = 1000 Target Participants

Tsolwana, Inkwanca, Lukhanji, Engcobo were added later as CWP Sites due to interest shown.

2.7 SPATIAL ANALYSIS and RATIONALE (Refer to Chapter 4 detailed analysis of SDF)



The Map above illustrates the legislative environment that our district operates within, and reflects the challenges that it faces in terms of coordinating of land use within the district (refer to SDF). The legislative framework is fragmented and therefore poses challenges for the district in its endeavour to create a more efficient and integrated settlement pattern in towns and settlement areas within the district. The district is addressing this challenge though it's District Spatial Development Framework which has been adopted by Council. The majority of this information is contained in the Spatial Development Framework which is a separate chapter on this IDP document.

2.7.1 Land Tenure and Ownership

The Chris Hani District Municipality comprises parts of the former Transkei and Ciskei homelands and CPA areas. The most common form of tenure in the former Transkei areas is the communal land tenure system. Ownership of land in the urban areas and former CPA areas is held by Free-hold Title Deeds. A considerable amount of land in the area of the former Transkei is still state – owned. This situation results in difficulty in obtaining land for developmental purposes. There have been calls from communities in the rural areas in the former Transkei areas to be given title to their land on an individual basis.

This will ensure tenure security and also safeguard them against future claims from others or loss through potential reorganization of village land at a later stage. It is envisaged that the Communal Land Rights Act (Act No. 11 of 2004) also known as ClaRA will inform proposals for short term actions even though the Municipality will not be able to rely on its provisions until the Act comes into effect (Emalahleni Housing sector plan).

Spatial planning professionals working within the district are faced with developmental challenges due to the dynamic legislative character of the district caused by different planning legislations that are applicable to the different towns in the district. This has led the district to focus on the creating of development plans that outline the development direction of the key nodes within our area, namely SDFs, Small town development plans, Land Use Management systems. These initiative have are new to our district but are evidence of the district and its LMs' commitment to the spatial coherent development within the district, ensuring that the developmental nature of the urban environment thrives to ensure economic growth that benefits the residents, the business environment and the Local municipalities.

2.7.2 Small Town Development

In its endeavour to define the district's spatial rationale, the CHDM Spatial Development Framework focuses on the strengthening of linkages between the deferent centres within the CHDM area and their relationship with centres outside the boundaries of CHDM. This led the CHDM adopting the Small Town Development approach that is aimed at accelerating development through alignment of economic activities to ensure value chain addition. The Small Towns Development approach looks at the redesigning of the town layout with the aim of ensuring the potential of the space in and around the town are fully realised.

The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise small towns along the economic corridors that have the potential to participate actively in the value chain of the differentiated sector and implement small town development initiatives.

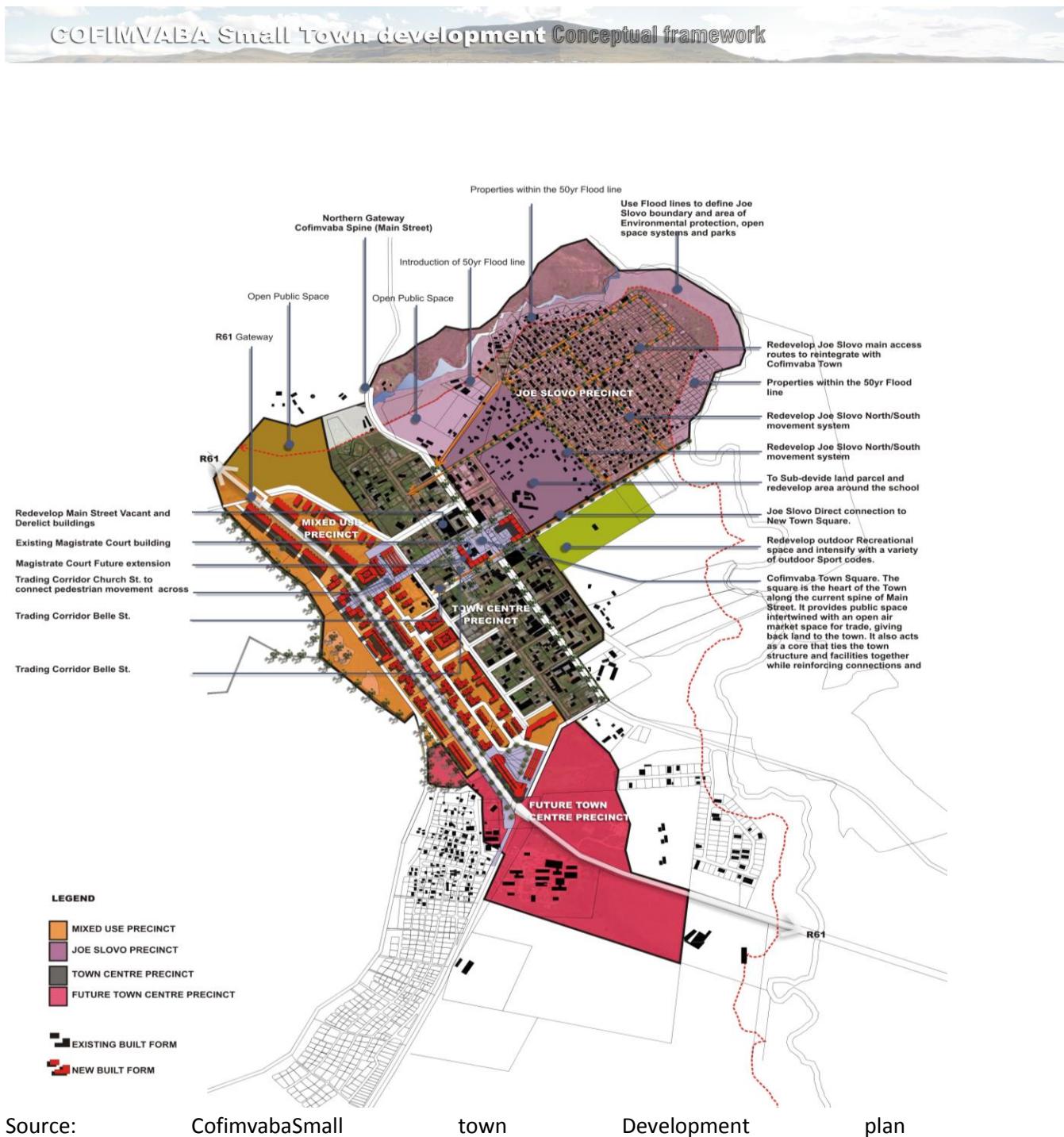
Intsika Yethu which has Cofimvaba was identified as one of the towns that had the potential to grow as it is one of the main service centres on the R61 east corridor, this culminated in CHDM and Intsika Yethu local municipality with the assistance of Local Government and traditional affairs embarking on the Small town Development plan for Cofimvaba and Tsomo town. On 2012-2013 budget the council set aside about R10 Million to address the decaying towns within the district hence focusing on Paving, Beatification and Greening. The amount was spread as follows R3 Million for Inxuba Yethemba focusing at Middleburg Lusaka Village, at Lukhanji the focus was on Mlungisi cementsries through Fencing, Beautification and Greening, at Inkwanca focus on both towns Molteno and Sterkstroom for Paving, Tsolwana for Paving at Hofmeyer. By thye year 2013-2014 the CHDM assisted Engcobo and Tsolwana to develop their Small Town Revilisation Strategies and from those strategies projects will be identified and implemented. For the Engcobo town key is to deal with Town Congestion as well as beautification and Paving.

A total budget of R25 Million was needed to develop the town of Engcobo and for 2014-2015 the council has set aside R7 Million for Paving, Beautification, Street Furniture, Parking and Hawker Stalls within the CBD, for Tarkastad key is to Pave sidewalks and beautify the town. On 2014-2015 financial year the Council further budgeted R10,5 Million for the Small Town Revitalisation programme which would focus on Paving and Beautification of Hofmeyer, Lady Frere, Hofmeyer, Mlungisi, Molteno and Middleburg etc.

The Small Town Regeneration concept is aimed at creating a development plan with a 30 year future outlook of its growth potential and creating a plan that seeks to realise that potential. The plan does not place the district and IYLM as the sole role players in realising the developmental objectives of the Cofimvaba and Tsomo towns, Tarkastad and Hofmeyer as well as Engcobo but instead looks at creating plans to be used as a spatial guiding foundation that assists stakeholders/ investors to define their role in the overall growth/development of these towns.

The following reflect the aim behind Small Town Development:

- Strengthen the retail, business, industrial and employment role of the Town Centres.
- To develop the community, civic and educational roles of the two Centres as key attributes of vibrant Town Centres.
- Build on the unique function of each of the sub-centres serviced by these major Centres as a defining characteristic of these areas and a contribution to the Corridor Development initiative in the District.
- Improve connections between the sub-centres and encourage activities adjoining access routes between the major Centres and the sub-centres to create a more physically contiguous and integrated Town Centre service area.
- Consolidate the individual roles of the Centres so that they can better serve the sub-centres, and act as destinations for sub-centre communities by providing an extensive and unique range of retail, community and leisure opportunities.
- Encourage new housing in and around the Town Centres that increases the range of housing choices.
- Create an attractive and distinctive built environment that supports the range of activities of the Town Centres.
- Create a positive urban image for each part of the Town Centres through the design of buildings and spaces.



2.7.3 Land restitution and redistribution

The Land Reform Area Based Plan is a sector plan of the Municipality, to be implemented in partnership with the Department of Rural Development and Land Reform, the Department of Agriculture, and Chris Hani District Municipality. The Area Based Plan is a plan aimed at ensuring the achievement of local land reform objectives and targets in a coordinated and integrated manner with other development initiatives.

The Land Reform ABP Vision is:

A transformed farming community that is:

- *Reflective of a racially diverse rural population living in harmony, with tenure, social and economic security;*
- *Agriculturally productive in all municipal areas, producing food for the population in an economic and environmentally sustainable manner.*

Transformed communal settlement and land areas that are:

- *Reflective of households with secure and defined tenure rights, which are protected by law;*
- *Reflective of an efficient and effective system of administration of the land and the management of the use of the land;*
- *Agriculturally productive, with allotments and commonages producing food for the household and, and where appropriate, on a commercial basis, in an economic and environmentally sustainable manner.*

Objectives and Targets for the Municipal ABP are:

REDISTRIBUTION

- a. In terms of the national policy objective of achieving a 30% redistribution of white owned farmland:
- b. In terms of the national policy objective of productivity on redistributed farms: Farms redistributed achieve at least 80% of envisaged production output estimated in the Project Business Plan, and generate at least 75% of envisaged beneficiary income estimated in the Project Business Plan within 5 years from land occupation by the beneficiaries, with output and income steadily increasing from its baseline in year one.

COMMUNAL LAND MANAGEMENT

The key Focus Areas for land reform in the communal land areas have been identified as:

1. Land Administration (by which is meant, in this ABP, dealing with the key issues of land allocations, and recording and managing land rights in communal land areas);
2. Tenure reform or, more specifically, land rights clarification, upgrading or formalization (achieving recognized security of tenure); and

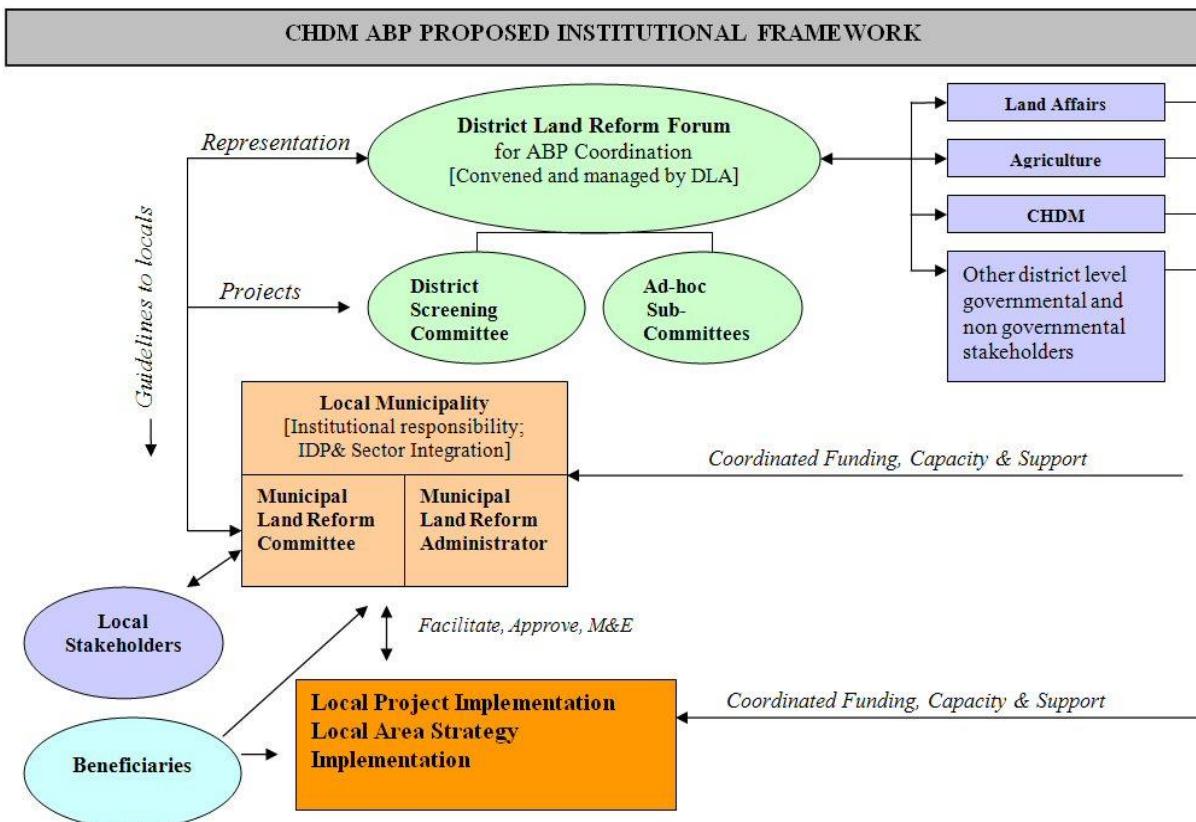
3. Dealing with issues of settlement planning and land use management (for example, to better permit natural resource utilisation for economic development and/or manage such natural resources to ensure appropriate land use and prevent resource degradation).

Strategies applied to deal with these focus areas are:

1. To implement a targeted programme of Local Planning Processes in areas prioritized by local municipalities.
2. To secure management support from the District Municipality and the Department of Rural Development and Land Reform for Local Planning Processes projects.
3. To establish a capacity building programme in support of local planning projects being implemented.

The Institutional Framework for Implementing the ABP is:

- a. Establish local land reform offices with a Land Reform Administrator
- b. Establish and convene the local Land Reform Committee
- c. Participate in the District Land Reform Forum
- d. Implement and manage the Small-Scale Farmer Support Programme



All programme institutional and projects are subject to implementation funding from the Department of Rural Development and Land Reform, and (for relevant aspects) from the Department of Agriculture or other Departments.

Programme Institutional Costs:

The cost of the project is enormous (table below) in light of budget constraints. It is however obvious that the District will not meet the target under present conditions and that the timeframes for the plan need to be extended if the target of 30% is to be met.

Annual Programme Targets/Ha Enterprises		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Municipality	Cost Item	2008/9	2009/10	201/11	2011/12	2012/13	2013/14	
Chris Hani	Land price	63,869,550	184,038,580	285,374,152	356,786,936	419,411,652	474,303,060	1,783,930
	Enterprise cost	17,246,767	53,748,383	80,800,565	101,036,662	118,207,573	132,376,979	503,416,949
	Planning Costs	3,715,000	11,340,000	17,089,400	21,315,600	25,053,600	28,126,000	106,648,600
	Support costs	13,920,000	41,990,430	63,475,200	79,161,600	93,139,200	104,832,000	396,518,400
	Total	98,751,317	291,117,363	446,748,337	558,300,798	655,812,025	739,638,039	2,790,367,879

The high costs are due to the amount of land which needs to be redistributed contained in the table below.

Annual Programme (ha/enterprise)	Targets	Year 0 (pre-ABP initiation)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Municipality	Ha/enterprise	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	
Emalahleni	Hectares	748	2,444	3,936	4,581	4,577	4,577	20,861
	Projects	2	7	11	12	13	13	58
Inkwanca	Hectares	3,166	11,298	16,156	17,630	20,059	21,642	89,951
	Projects	4	14	20	22	25	27	112
Inxuba Yethemba	Hectares	15,550	37,400	52,900	62,250	71,500	79,250	318,850
	Projects	11	28	38	45	50	55	250
Lukhanji	Hectares	3,415	8,430	10,460	12,490	12,980	14,270	62,045
	Projects	5	12	15	18	19	21	90
Sakhisizwe	Hectares	0	460	460	460	460	460	2,300
	Projects	0	1	1	1	1	1	5
Tsolwana	Hectares	7,481	19,095	27,949	33,538	36,877	36,653	161,953
	Projects	7	17	25	30	33	33	145
Total Hectares		30,718	79,127	111,861	130,949	146,453	156,852	655,960

Total Projects		29	79	110	128	141	150	660
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2.7.4 Land Administration Concerns

There is much concern about land administration in terms of land allocation, the recording of issued land rights, the management of land use processes in rural settlement areas, in the former Ciskei and Transkei area. This result from the breakdown of formal system in the communal land areas which has resulted in informalisation of practices whereby various role-players like, traditional Authorities, Department of Agriculture, ward Councillors, allocate land and record such allocations. The problem of land administration has repercussion on land management because it results in conflict between land uses in the rural areas. The issues are further clarified in the attached SDF.

Development issues

All the land for development in the urban areas is owned by the Municipality and private individuals whilst the State owns the rural land in the former Transkei and Ciskei. Whilst land is available for development, it is not quantified, ownership issues are unclear and zoning schemes and spatial development frameworks are outdated and inadequate in providing direction for future and current development needs.

Land tenure issues whereby ownership of land in the urban areas and former CPA areas is held by free-hold Title Deeds but in the rural areas is generally communal is creating tension and delays in development projects. This current fragmented land tenure system and the different planning legislation aligned to it creates difficulty in:

- accessing of land for development, primarily for housing, grazing or farming
- more effective utilization of existing land, addressing land rights, provision of title deeds and management and rights on the municipal commonage.
- Developing an effective land administration system

MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

Institutional Transformation and Organisational Development deals with the institutional arrangements that have been put in place to ensure that the municipality responds to the development needs of the communities on the one hand, and that it is able to effectively and efficiently deliver on its legislated powers and functions on the other hand.

MUNICIPAL POWERS AND FUNCTIONS

The Chris Hani District Municipality is a category C2 municipality mandated to perform those powers and functions vested in District Municipalities as contemplated in schedules 4 and 5 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to these powers and functions as contemplated in the Act, the CHDM is mandated to perform such functions and powers as determined by the MEC responsible for Local Government and as gazetted by the province. In relation to this, therefore, the core mandate of the CHDM is the supply of bulk water and sanitation infrastructure, disaster management, municipal planning, municipal health services, tourism, local economic development and maintenance of provincial roads as per the agreement entered into between the CHDM and the Department of Roads and Public Works. The table below depicts those powers and functions vested in the district and those allocated to the various local municipalities within the district jurisdiction.

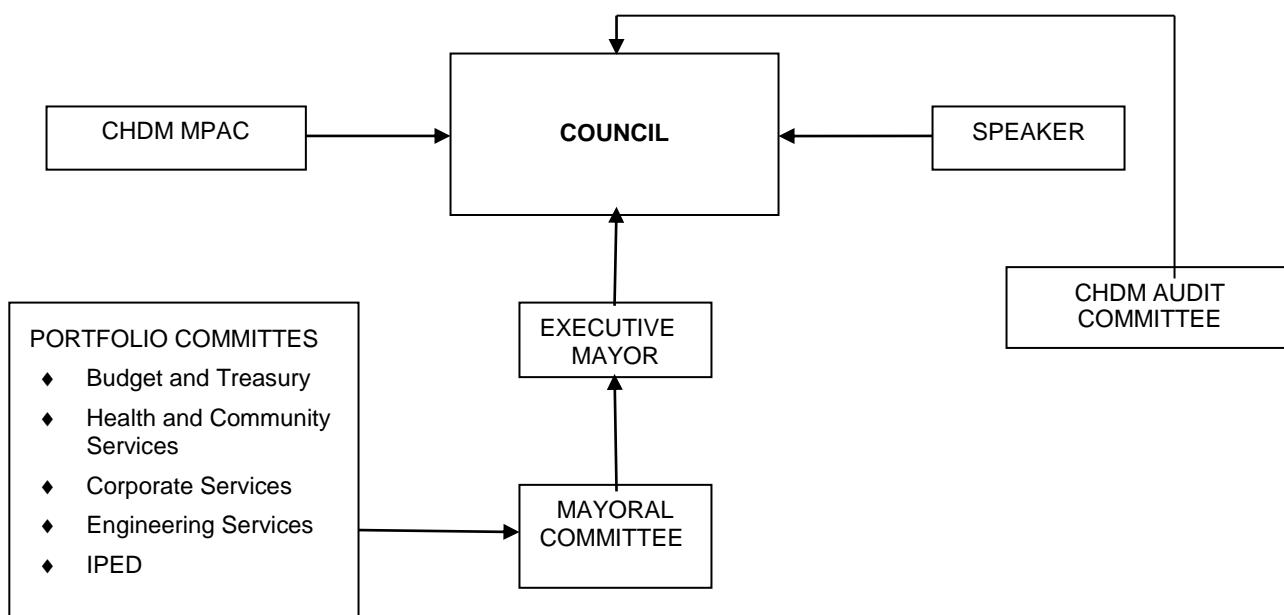
FUNCTION	CHRIS HANI DM	LUKHANJI LM	INTSIKA YETHU LM	ENGCOBO LM	SAKHIS IZWE LM	ELM	TSOLWANA LM	INKWANCA LM	INXUBA YETHEMBA LM
Air pollution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Building regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Child Care facilities	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Electricity reticulation	N/A								
Fire Fighting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Health Services	Yes	No	No	No	No	No	No	No	No
Municipal Public Transport	Regulation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Storm water	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Trading regulations	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water (potable)	Bulk supply	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sanitation	Bulk supply	Yes								
Schedule 5 part b										
Billboards and the display of adverts in public places	N/A	Yes								
Cemeteries, Crematoria and funeral parlors	N/A	Yes								
Cleansing	N/A	Yes								
Control of public nuisances	N/A	Yes								
Control of undertakings that sell liquor to the public	N/A	Yes								
Fencing and fences	N/A	Yes								
Licensing and control of undertakings that sell food to the public	Yes	No								
Local amenities	N/A	Yes								
Local sport facilities	N/A	Yes								
Markets	N/A	Yes								
Municipal abattoirs	N/A	Yes								
Municipal parks and recreational facilities	N/A	Yes								
Municipal roads	N/A	Yes								
Noise pollution	N/A	Yes								
Pounds	N/A	Yes								

Public places	N/A	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Management of solid waste sites	Yes								
Street trading	N/A	Yes								
Street lighting	N/A	Yes								
Traffic and parking	N/A	Yes	Yes	yes	N/A	N/A	N/A	N/A	N/A	N/A
Licensing of vehicles	N/A	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Road maintenance	Yes (Agent: DORT)	N/A								
Libraries	N/A	Yes								

POLITICAL GOVERNANCE

The Chris Hani District Municipality utilises the Mayoral Executive System where the exercise of executive authority is through the executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee. The Council of CHDM has various Section 79 committees (the portfolio committees as well as the Municipal Public Accounts Committee [MPAC]) each chaired by a Councillor elected from within Council and an audit committee established in terms of Section 166 of the Municipal Finance Management Act. The Speaker of Council is the chairperson of Council, convenes and presides over Council meetings. The diagram below illustrates the political structure of the CHDM.



The CHDM Council has a total of 42 Councilors of which 17 are on Proportional Representation (PR) and 25 Councilors that are Direct Representatives from Local Municipalities within the District. Seven of the PR Councillors are members of the Mayoral Committee. There are also 08 Traditional Leaders that sits on a council which represent their areas. The table below depicts the composition of Council in terms of party representation of the PR Councillors:

The table below depicts the composition of Council in terms of party representation of the PR Councilors:

POLITICAL PARTY	NUMBER
ANC	14
UDM	1
DA	1
COPE	1

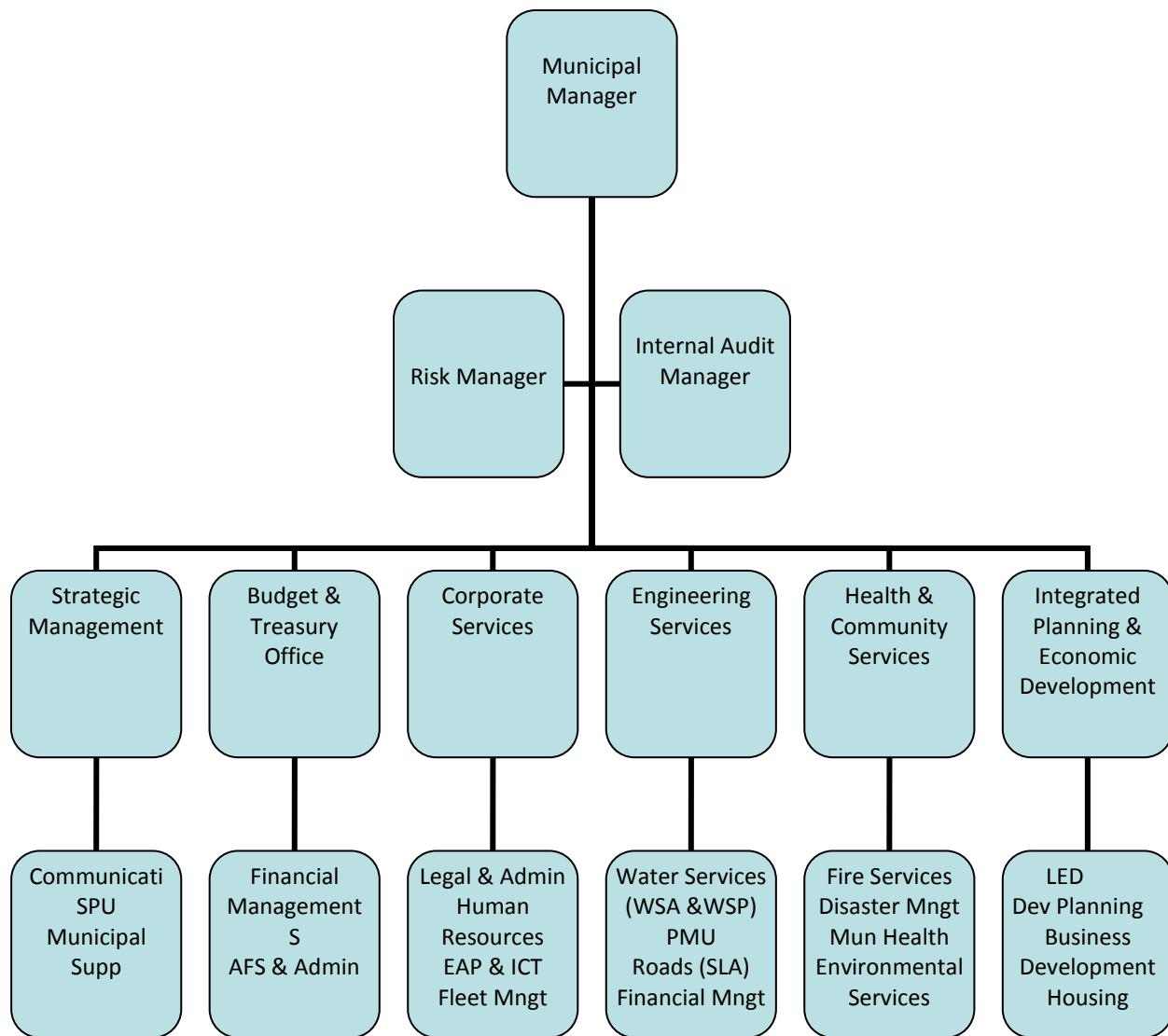
Party-political and demographic representation of Councillors & Traditional leaders in council.

POLITICAL PARTY	NO OF COUNCILLORS	GENDER DISTRIBUTION	
		MALE	FEMALE
ANC	35	19	16
DA	3	3	-
UDM	3	2	1
COPE	1	1	-
Traditional Leaders in Council	06	5	1

ADMINISTRATION

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Structures Act 117 of 1998. The responsibilities of the Municipal Manager include managing the financial affairs and service delivery in the municipality and is assisted and supported by the Chief Financial Officer and the Directors of respective departments as well as the Strategic Manager. The CFO, the Directors of the respective departments as well as the Strategic Manager are appointed in terms of Section 56 of the Municipal Systems Act. Currently one of these positions is not filled which Director IPED but institution is on a process of filling that vacancy. Positions are gender balanced as out of six Section 56/57 three are Males which include Municipal Manager and the other three are females. The political leadership and the administration complement each other to achieve the objectives of the IDP.

The diagrams below reflect the administrative structure of the institution.



HUMAN RESOURCE

The Municipality is committed to an efficient human resources system and has reviewed a number of policies to ensure the effective development, compliance and welfare of employees. Currently, the municipality has in its employment 972 workforce all with clear Job Description of whom majority are employed in the core departments which are Engineering Services, Health and Community Services and Integrated Planning and Economic Development. All these positions are funded by the institution. Out of a total 972 employees 122 are contract employee. All CHDM workforce including Councillors are guided by the Code of Conduct of the institution which was developed and adopted by council. The municipal organogram is reviewed annually as informed by objectives of the municipality within that financial year. The institution is also implementing an internship programme and has 149 Interns which are allocated within the district in all eight local municipalities. All these interns are funded by LGSETA.

The current approved organizational structure together with the proposed positions that will ensure attainment of the objective entailed in the IDP is attached at the back of the document for ease of reference. The process of prioritization, engagement, alignment and integration will be embarked on with all the relevant stakeholders.

Employment Equity

The Municipality strives to meet the Employment Equity targets to comply with the Employment Equity Act and redress past imbalances. 100 % of Section 57 employees are black (inclusive of African and Coloured) and 50 % of Section 57 employees are female.

The Council of the Municipality has developed and adopted an Employment Equity Plan for implementation in the financial year 2014 - 2015 with clear numeric targets to be achieved in each year of the plan. The reviewed plan is reviewed annually and adopted by council together with all other policies for implementation in the next financial year. Current demographics of the workforce in terms of gender representation are as follows: Males 483 and Females 143. The institution makes submissions to Dept of Labour around Equity targets.

Human Resources Policy Review

Human resources policies were approved by Council and are being implemented and some of them are to be developed and redone due to some gaps identified due to operational requirements and legislative imperatives. The need for development of new human resources policies has also been identified. Policies that are had just been adopted by council during the third quarter of 2014-2015 financial year include the following, Subsistence & Travelling Policy, Study Assistance Policy, Skills Development Policy and Health and Risk Assessment, OHS, Declaration of Interests, Staff Attraction and Retention Policy etc. All these are reviewed annually and are presented to all relevant stakeholders for inputs and comments. Amongst those still to be developed include Succession Plan Policy.

Work Place Skills Development Plan was adopted by Council for the financial year and is currently being implemented. A new WSP has been developed and submitted to Local Government Seta.

The Municipality also implemented a number of skills development-related programmes, which include:

- Implementation of the Workplace Skills Plan;
- Internships Programme
- Study Assistance Programme;
- National Treasury Minimum Competency Requirement

The Internships programme provided Graduates with practical learning experience from communities within Chris Hani area of jurisdiction. The Internship programme was made possible by the Engineering Department through the Expanded Public Works Programme which is funded by Public Works.

The municipality has implemented its approved Workplace Skills Plan in the previous financial year. One Hundred and Twenty Three [123] employees have received training within this financial year at a cost of R 784 947.710 during the mid-year. A total of nine [9] training interventions were implemented.

In line with the Government Gazette No 29967 on Minimum Competency Level, the municipality has commenced with the implementation of the regulations in that:

- 1 Senior Manager, 1 Councillor and 1 Official have been capacitated through Wits Business School
- 10 managers and 1 Councillor have been capacitated through the University of Fort Hare.

Internships, Learnership and Experiential Training

Out of one hundred and eighty [180] interns, one hundred and four [104] unemployed graduates concluded their two year internship programme and 76 participants left the programme before conclusion of the contract for various reasons. Currently there are 149 active interns within the institution and are receiving exposure in the working environment and provide assistance in service delivery. Five [5] Financial Interns were appointed in collaboration with the Provincial Treasury for a duration of two years.

Study Assistance for Employees

As part of building capacity of the workforce the District is providing study assistance to those employees who wish to further their studies. The above is of assistance to both the employee and the organization in that when the skills of employees are enhanced also the level of performance or productivity is also improved. Within this current financial year ten [10] employees have received assistance to further their studies in the following fields:

- Financial Field
- Engineering
- Human Resources
- Administration

LABOUR RELATIONS

The Labour Relations division is to foster degree of cooperation through various structures which are formed by its own internal stake holders and to minimize the causes of unnecessary conflict or restrictive practices and to maintain sound Labour relations between unions and management .i.e to create micro and macro institutional structures which seeks to address the institutional challenges. To enhance productivity of the organization through advising and having workforce which is informed about all work related issues.

Labour relations division has the authority to manage grievances, handling disciplinary hearings, facilitating Labour disputes and to facilitate local Labour forum

Disciplinary Hearings

The Labour Relations officer handles and provide services of prosecution on various cases within the district and also support LM's.

Local Labour Forum

There abovementioned structure serves as a consultative structure between labour and management and is functional. The structure is made up of Councilors, Managers and both two recognized union in the sector as prescribed in the Collective Agreement on Organizational rights which are SAMWU & IMATU.

EMPLOYEE ASSISTANCE PROGRAMME

The employee assistance programme is defined as a workplace programme designed to offer short term assistance to CHDM employees, managers, union and councillors in identification, prevention and treatment of personal, social and work-related challenges that may have a negative effect on the well-being and performance of the employees and councillors.

The wellness programmes has provided short term assessment, counselling and referral to 270 employees and councillors. Most of these interventions have yielded positive outcome in terms of improving employee wellbeing, performance and interpersonal relations. Trauma group sessions were also provided for employees in high risks occupations such as disaster and fire.

These sessions equipped the workers with skills on how to deal with trauma experienced in their duties. Supervisor mentorship, coaching on how to identify and provide assistance to employees with personal challenges was conducted. These sessions has yielded positive outcomes in terms of improving relations between supervisors and employees.

In line with the National Health calendar, the institutional wellness calendar and strategy, the following educational and awareness programmes were implemented for employees and councillors:

- Financial wellness: budgeting, saving and debt management
- Healthy lifestyle: weight management and medical screening
- Marriages, relationships and interpersonal relations
- Substance abuse

Through these programmes 10% of the employees and councillors have managed to change their lifestyle habits for the better.

Team building programmes and healthy retirement programmes were provided to certain identified employees and Departments. Technical support to 8 LMs was provided through the educational programmes and the wellness forum meetings.

The wellness strategy and policy has been reviewed in line with the identified needs of the employees and councillors. Substance abuse policy and strategy has been developed.

OCCUPATIONAL HEALTH AND SAFETY

The OHS Policy as adopted by council has been developed with key focus on Personal Protective Equipment and clothing, provision of safety measures and conditions for the employees and councillors. In line with compliance with the OHSA the following strides were achieved:

- Establishment and capacity building of the OHS workplace committee
- Training of She reps
- Installation of first aid kits in cars
- She awareness and educational programmes for high risks offices such as water and roads.
- Site inspections
- Provision of advise on compliance with OHSA to managers and the institution
- Provision of medical and administrative assistance to employees and councillors with injuries of duty.

CHALLENGES

- Delays in the Compensation fund in registering the claims for Occupational injuries
- Insufficient personnel to implement the programme
- Health risks assessments of high risks occupations
- Lack of medical aids for employees
- Management of incapacity and chronic illnesses

INFORMATION COMMUNICATION TECHNOLOGY

The mandate of the unit is to provide ICT services and support to the District Municipality and to provide secure, reliable and consistent platform for information accessibility. The vision of the unit is to be a strategic support unit with highly capacitated human and computer based resource (s) for enhancing municipal service delivery. The Mission to identity, provide, support and maintain, business system and solutions, IT Infrastructure and to provide sound governance on management of ICT. Legal framework of the function derives from the following,

- Constitutions of the Republic
- Municipal Systems Act
- MFMA
- SITA amendment (Act 38 of 2002)
- Promotion of Access to Information
- Electronic communications and Transaction Act (27 of 2002)

Key functions of the unit are :

- Ensure effective ICT governance
- Enable effective operation of the municipality's support functions by ensuring development, implementation and maintenance of appropriate systems.
- Provide the necessary, secure and sustainable infrastructure based on the most appropriate technology
- The Municipality needs access to accurate and timely information at all times for executive and management decision support

- To improve the management of 3rd party vendors (suppliers) by the efficient application of SLA's
- Increasing efficiency and effectiveness through continuing assessment, quality improvement and accountability to stakeholders
- To Support Local Municipalities in ICT related matters

ICT GOVERNANCE

CHDM Council towards end of 2013-2014 financial year has adopted an ICT Governance Charter (Framework) in order to have effective governance. The CHDM adopted Prince2 as an ICT project management methodology embedded in the ICT Governance Framework. Prince2 provides a structured framework for managing organizational projects and is not limited to ICT projects. The DM established an Information Communication Technology Steering Committee (ICTSC) with terms of reference. The ICTSC was established as a governance mechanism in line with generally adopted IT governance frameworks such as COBIT, COSO & King reports. The steering committee meets quarterly. Other ICT governance structures as outlined in the ICT Governance Framework, namely the Business Architecture Forum and Information Security forums are to be established.

The following ICT policies were approved by Council and are implemented.

- ICT Network Policy and Plan
- Disaster Recovery Policy and Plan
- Internet, Email and Intranet usage policy
- Computer Equipment Acquisition policy

The latter two are due for review. Policies were developed in 2014/15:

- ICT Risk Management Policy
- Mobile Device Management Policy

The Information and Communication Technology Strategic Plan has been developed and awaiting Council approval. The strategic plan is underpinned by the ICT governance Framework that Council approved together with industry best practices. The strategic plan, which will be implemented in 2016/17 financial year will ensure alignment of technology initiatives with the business of the municipality and create an enabling technology environment. The main focus in implementation of the plan in 2016/17 will be integration of the ICT organization and integration of ICT systems within the District Municipality.

NETWORK INFRASTRUCTURE AND SECURITY MANAGEMENT

The District Municipality has 5 remote sites that are connected by a wireless network. The unit maintains the network infrastructure to ensure a robust network with minimum downtimes. An ICT network audit is conducted every two years and a report is produced with recommendations to ensure that the network infrastructure meets at least minimum industry standards and security measures are in place. The CHDM revamped its main server room to ensure compliance with required server room industry standards. The server room at Bells road has since been moved to the 1st floor and revamped to meet sever room industry standards.

The District Municipality has a Service Level Agreement with a Service Provider to provide second line support to the unit and a contract with a wireless infrastructure service provider to ensure minimum system downtimes. A contract has been signed with Telkom to provide VPN supreme service which is a WAN solution managed and maintained by Telkom with improved scalability, flexibility and reliability attached to a Service Level Agreement.

INFORMATION SECURITY, ACCESSABILITY AND MANAGEMENT

The District Municipality has a website with address www.chrishanidm.gov.za managed by the communication section. The CHDM also has an intranet for internal access to information and systems. The Disaster Recovery Plan (DRP) is in place and implemented in phases. A disaster recovery site was established at the disaster management center. The CHDM will be acquiring the services of a Cloud services provider as the next implementation phase of the DRP to further ensure Business Continuity in case of a disaster. The CHDM is in the process maximizing the use of SharePoint portal to use its Document Management capabilities to ensure that the DM has an Electronic Document Management System (EDMS) to ensure compliance. The District Municipality ensures that it keeps up with the latest in terms of Microsoft application. The District upgraded its Microsoft Office from Office 2007 to the latest Microsoft Office 2013. An upgrade training was undertaken to avoid frustration on the users and the ICT unit in terms of support.

Legal and Admin Function

The mandate of this unit is to provide is to manage administration and legal services. The unit also provide legal support service to senior management, departments and Council on the exercise of powers and functions and decision making through analysis and evaluation of attitudes of the municipality. It's governed by the following legal framework, Municipal Systems Act, Municipal Finance Management Act, Constitution of the Republic of South Africa, High Court Rules, and Magistrate's Court Rules. To ensure security within the institution Biometrics were installed in buildings to ensure safety of employees and councillors and safety plan is in place in implemented. On legal matters, Legal claims register is monitored and updated continuously as a well as some matters of litigation between CHDM and some other parties do take place, key being SAMWU who represent its members challenging the institution.

Workshop on litigations for managers was conducted by a registered firm who are our attorneys of record for purposes of equipping them. Matters of council are fairly attended as Council resolution register is continuously updated and the IT Software will be installed by Business Connexion. Developed council calendar, council diary and council resolution register.

Fleet Management

The unit of Management Fleet of the institution as a result Reviewed Fleet management policy is implemented and monitoring is continuously done, 95% pass rate of employees who were taken to Lukhanji driving licence testing centre, for evaluation of their driving skills before using council vehicles.

RECORDS MANAGEMENT

Facilitation of disposal of old records in line with legislation was done. 50% of unsuccessful applications for employment from 2008 to 2011 was disposed. Electronic Document Management System will be installed by Business Connexion.

2.4.4 MUNICIPAL FINANCIAL VIABILITY and MANAGEMENT

The Municipal Finance Management Act 56 of 2003 (MFMA) prescribes that the Council of a municipality must for each financial year approve an Annual Budget for the municipality before the start of that financial year. Section 16 (2) of the same Act stipulates that in order for the municipality to perform what is prescribed, the Mayor of the municipality must table the Annual Budget at a Council meeting at least 90 days before the start of the financial year. The processes involved during the 90 day period enable transparent engagements amongst the Communities, Councilors, the Executive and Administration to finalize the budget. The consultative and Public Participation processes also promote oversight over the adoption and implementation of the budget. The departmental budget statements provide Council with information on how different departments within Chris Hani District Municipality (CHDM) intend to spend the funds that will be appropriated by Council, to enable Council and communities keep departments accountable for their delivery commitments contained in the Service Delivery Budget Implementation Plans (SDBIP) and to ensure that Council Committees effectively perform their oversight functions.

1. REVENUE MANAGEMENT

Chris Hani District Municipality is 100% Grant dependent. Our major source of revenue is on water as a Water Services Authority and Water Services Provider. This function was in the past been done by LM through contract signed as LMs were given WSP function, this has since been overturned due to end of contract or agreement. Collection rate is very minimal as most of our communities are indigent and therefore not paying for services. We have received a support from COGTA through their Municipal Infrastructure Support Agency (MISA) which is assisting us in reviewing our Revenue Enhancement Strategy. The Revenue Enhancement Strategy is therefore implemented but due to above mentioned challenge of indigency we still face some difficulties on Revenue enhancement. Revenue Enhancement Strategy is to ensure that we assist the Municipality to improve revenue collection. By 2015/16 Collection rate at was very minimal due to some challenges experienced as e had just taken back the WSP function. This will inform the municipality on ways of addressing recovery and enhancing revenue through

- Billing
- Enforcement of By –laws
- Data Cleansing
- Reviewal and implementation of revenue related policies
- Management of indigent consumers
- Installation of Meters

The major sources of revenue consist of:

Operational Grants

- Equitable Share
- Finance Management Grant (FMG)
- Municipal Systems Improvement Grant (MSIG)
- Expanded Public Works Programme (EPWP)
- Rural Roads Asset Management Grant

Other Operational Programs

- Roads Subsidy
- Working for Water
- Lapesi Program

Capital Grants

- Municipal Infrastructure Grant (MIG)
- Regional Bulk Infrastructure Grant (RBIG)
- Municipal Water Infrastructure Grant (MWIG)
- Rural Household Infrastructure Grant (RHIG)
- Water Services Operating Grant (WSOG)

Other Capital Programs

- Accelerated Community Infrastructure Program (ACIP)
- Department of Housing Unblocking Program

There are other incomes sources which are not significant are listed below

- Interest from investment
- Rental Income

1.1 WATER AND SANITATION TARIFFS

CHDM is in a process of developing New Tarriffs for the year 2016-2017 financial year, such Tarriffs will undergo all required stages before being adopted by Council. Thus far the 2015-2016 are applied up until the new 2016-2017 ones are adopted by Council. It is expected that by end May 2016 when the final IDP and Budget is adopted by Council such process will be complete and as such will be incorporated and influence the final 2016-2017 Budget.

For this Draft IDP Review 2015-2016 Tarriffs will still apply as they were adopted last financial year. 2015-2016 Water tariffs derived from the amount provided per household for free basic services on the basis of consumption of 6 kl per month. The amount is R91.00 per month and the tariff per kl is R8.66 A stepped-up tariff is proposed according to the categories and consumption levels reflected in the table below.

Sanitation and wastewater tariffs cannot be metered and should therefore be based on the flat rate of R 76.00 per month. For commercial, business, agricultural and industrial use; the cost of wastewater will have a stepped up tariff of 4 kl with every 6kl of consumption. A tariff of R 12.67 per kl of consumption will be levied in addition to the water tariffs for these categories of consumers.

PROPOSED WATER , SEWERAGE , MUNICIPAL HEALTH SERVICES AND ENVIRONMENTAL MANAGEMENT TARIFFS- 2016 / 2017

1, WATER

1,1 DOMESTIC

Tariffs Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
0 - 6kl / per month	R 8.66	R 8.66
7 - 15kl / per month	R 10.02	R 10.02
16 - 30kl / per month	R 12.28	R 12.28
31 - 45 kl / per month	R 15.29	R 15.29
46 - 60 kl / per month	R 16.70	R 16.70
more than 60 kl per month	R 18.85	R 18.85

1,2.BUSINESS AND OTHER USES

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
0- 5000 kl per month	R 13.14	R 13.14
5001 - 25 000 kl per month	R 13.36	R 13.36
25 001 - 50 000 kl per month	R 13.57	R 13.57
50 001 - or more kl per month	R 13.57	R 13.57

1,3.INSTITUTIONAL USE :WELFARE

ORGANISATION,GOVERNMENT

SCHOOLS,INSTITUTIONAL PUBLIC

HOSPITALS,CHURCHES

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
0- 200 kl per month	R 10.24	R 10.24
201 - 2500 kl per month	R 11.32	R 11.32
2501 or more kl per month	R 12.39	R 12.39

2. Un-metered and / or Unread Connections

2,1 domestic

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Fixed rate per month (estimated consumption less than or equal to 15kl/month)	R 91.00	R 91.00

2,2 Institutional Uses as listed in item (public benefit organisation)

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Fixed rate	R 1,024.00	R 1,024.00

2,3 Business and Other Uses Municipal

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Fixed Rate	R 1,970.00	R 1,970.00

3, Minimum Basic Charge

3,1 Minimum Basic Household Use

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Fixed Rate	R 91.00	R 91.00

3,2 Minimum Basic Institutional Uses

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Fixed Rate	R 241.00	R 241.00

3,3 Min Basic Business and Other Uses, Min Basic Business and Other Uses Municipal

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17

Fixed Rate	R 473.00	R 473.00
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4, Deposit (water services)

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Consumers-Domestic	400.00	400.00
Consumers-Business or Commercial	1,067.55	1,067.55
Builders	4,163.33	4,163.33

5,Water Carting

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
7-15 kl/load	476.41	476.41
Rate for km travelled to deliver	R 8.00	R 8.00

6, CONNECTION PIPES,WATER CONNECTION INCLUDING FIRE CONNECTIONS OR UPGRADING

6,1 Where a water or fire hydrant connection is supplied :

6,1,1 Combination meters

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Main meter Size		
50mm	R 32,991.00	R 32,991.00
80mm	R 35,978.00	R 35,978.00
100mm	R 44,222.00	R 44,222.00
150mm	R 70,188.00	R 70,188.00

6,1,2 Normal meters and Water Consumption Management meters

Main Meter Connection

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
15mm	R 2,271.00	R 2,271.00
15mm WCM	R 3,269.00	R 3,269.00
25mm	R 4,238.00	R 4,238.00

Main Meter connection	Tariff R/kl 2015/16	Tariff R/kl 2015/16/17
15mm	R 1,729.00	R 1,729.00
15mm WCM	R 2,767.00	R 2,767.00

7, SEWERAGE

7,1 RESIDENTIAL

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Basic Charge : Consumers per year	719.55	719.55
Basic Charge : Business per year	1185.99	1185.99
Basic Charge : Government per year	1197.28	1197.28
Basic Charge :Churches,Hotels,School,Hospitals	1129.51	1129.51

7,2 Basic Charge per month

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Night-soil removals (Buckets) per month	65.66	65.66

7,3 Charge per removal

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Removal per bucket	45.00	45.00

7,4 SEPTIC TANKS

7,4,1 Charge per Removal

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Residential per load	R 120.00	R 120.00
Businesses per load	R 400.00	R 400.00
Government per load	R 1,000.00	R 1,000.00
Initial connection	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
100mm sewer connection	R 1,250.00	R 1,250.00
		R 1,540.00
150mm sewer connection	R 1,540.00	Tariff R/kl 2015/16/17

8, UNBLOCKING OF DRAINS

Tariff Summary	Tariff R/kl 2014/15	Tariff R/kl 2015/16/17
Residential	109.34	109.34
Businesses	195.97	195.97
Government	215.57	215.57

9, Utility Services- Water Consumption Tariffs

Services Rendered	Unit	Remarks	2014/15	2015/16/17
			R	R
COMMERCIAL	Per kl	Water supplied to premises predominantly of a commercial nature	14.27	14.27
INDUSTRIAL	Per kl	Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose	14.27	14.27
Government	Per kl	National and Provincial Departments	13.55	13.55

Schools/Sport Bodies/ Churches/ Charities	Per kl	Any educational activity and / or sporting body	12.61	12.61
Miscellaneous	Per kl	All consumers who do not fall within the above categories	13.55	13.55
Homeless people shelters/ homes catering of physically or mentally challenged individuals		Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility		
Step 1 (0 to 1.5kls)	Per kl per person		0	0
Step 2 (above 1.6kls)	Per kl per person		12.61	12.61
Vulnerable Groups (Subsistence farming)		As defined in the CHDM's Agriculture Policy for approved and registered groups, considered on an annual basis.		
Step 1 (0 to 10 kl)	Per kl	Free allocation. Corresponding Sanitation consumption not free	0	0
Step 2 (above 10kl)	Per kl	Normal tariff for which the facility is situated	0	0

10. Utility Services- Municipal Health Services and Environmental Management tariffs:

SERVICE	DESCRIPTION	PROPOSAL
Water Quality Analysis	Laboratory Analysis	(Annex 1)
Food Safety	Certificate of Acceptability – Application	R 200.00
Meat Safety Inspections	Meat Inspection service	Tariff to be calculated as per EHP salary and travelling cost
Funeral Parlour COC	Certificate of Competency	R 250.00
Exhumations	Reburial and Exhumation – Application	R 250.00
Exhumations	Reburial and Exhumation	Tariff to be calculated as per salary and travelling cost
Condemnations	Issue of Condemnation Certificate	R 150.00
Air Quality Licensing	Application	R 500.00
Air Quality Licensing Fee	Fee calculator	As per National Regulations

PROPOSED FINES – LAW ENFORCEMENT OFFICERS (EHP's)	
Environmental Pollution – (Municipal Boundaries)	R 20 000.00 or the cost incurred by Council to remediate the pollution
Relating to Environmental pollution created during protest Action	
Noise Control	R 500.00
- Air pollution - Residential	R 2 500.00
Air pollution – Commercial	R 5,000.00
Trading without COA	R 250.00
Environmental pollution (Waste Water)	R 10 000.00
Illegal transport of Meat	R 250.00
Illegal transport of Milk	R 250.00
Illegal keeping of Animals	R 500.00
Illegal trading – Pesticides / Chemicals	R 250.00 (Community Services)
Application for selling of foodstuff during events	R 300.00
- Agriculture Show	
- School events	
- Open Air Markets	
Municipal events	
-	

WATER QUALITY – LABORATORY				
DOMESTIC				
	REAGENT PACK	UNITS	INDIVIDUAL COST	TARRIF
Ph	R 296.00	20	R 14.80	R 20.72
Turbidity (Silicon oil)	R 175.00	20	R 8.75	R 12.25
Conductivity	R 241.00	20	R 12.05	R 16.87
Chlorine	R 921.00	200	R 4.61	R 6.45
TDS	R 595.00	20	R 29.75	R 41.65
Sulphate	R 1 254.00	25	R 50.16	R 70.22
Fluoride	R 1 254.00	25	R 50.16	R 70.22
Nitrate	R 1 576.00	25	R 63.04	R 88.26
WASTE WATER				
	REAGENT PACK	UNITS	INDIVIDUAL COST	TARRIF
Quanti Trays (E.coli)	R 1 200.00	100	R 12.00	R 16.80
Colilert	R 850.00	100	R 8.50	R 11.90
Ph	R 296.00	20	R 14.80	R 20.72

Electrical Conductivity	R 241.00	20	R 12.05	R 16.87
Suspended Solids	R 560.00	25	R 22.40	R 31.36
Ammonia	R 1 200.00	25	R 48.00	R 67.20
COD	R 2 500.00	25	R 100.00	R 140.00
Nitrate	R 1 576.00	25	R 63.04	R 88.26
Phosphate	R 1 338.00	25	R 53.52	R 74.93

FREE BASIC SERVICES

The working definition of beneficiaries for free basic services is poor households with a total household income below R 2 680 per month. These households are the beneficiaries of the basic services component of the equitable share allocation and as such will receive water subsidies of R 930.03 and sanitation services to an amount of R 76.00 per month. All the other households are excluded from this definition of free basic services beneficiaries. This working definition is provided in the Division of Revenue Bill, 2016 and explained in the formula for the equitable share allocations for municipalities. There seems to be coincidence in this regard between the indigent subsidies and free basic services subsidies. Council will need to decide on the level of services provided to the free basic services beneficiaries that are not inferior and are sustainable. The unintended consequences of these service levels include disparities between the different population groups, between urban and rural as well as the tendency to provide the services free to all households irrespective of income levels.

A sustainable solution is to provide access to 750 litres per household per day inside the dwelling or yard. When all households receive a reliable water service, then they will fund the provision of sanitation at the level of septic tanks until the municipality is ready to roll out the sanitation network. This solution requires Council to decide on the designs of bulk water schemes, the reticulation schemes, the wastewater treatment plants, the types of water meters used and the toilet facilities permitted to be installed by the households. Different options are available as described in the Free Basic Services Regulations published by the Water Research Commission.

INFLATIONARY TRENDS

The cost of providing services is influenced by trends in the infrastructure industry, inclusive of inflation. The projected consumer price indices for the 2015 financial year are stipulated in the National Treasury Circular 70. The CPI projections for 2015, 2016 and 2017 financial years are 5.6, 5.4 and 5.4 respectively. The minimum wage for 2016 will be R 4 927. The maximum medical aid increase will be 50% of the percentage increase of CPI + 1.25. A provision of 12% increase for medical aid will be reasonable. The wage and salary cost of living adjustments are proposed at 6.8 % for 2015 (5.8 +1). Because of the negotiation processes as part of bargaining processes, it is proposed that the municipality provides for a 7.5% increase after the improvement of service conditions associated with closing the gap between top management and staff. A maximum of 6% increase on other expenses will suffice as the CPI of 5.4 is within this limit. Performance bonuses for the municipal manager and managers reporting to the municipal manager range from 5 to 14 percent of total remuneration. A provision of 10% will suffice since there have been no bonus payment trends recently in excess of 10%.

The Eskom electricity increases have been approved at 7.39% by NERSA. This has the effect of limiting the costs influenced by the electricity inputs to the water and sanitation plants.

The Engineering and Finance departments are encouraged to grow through the infusion of internships in their organisational structures. Phasing out of the clerk occupational category will provide more and better opportunities for internship contracts. For the effectiveness of internships, at least two year contracts are proposed inclusive of the EPWP element. It is a common practice amongst the educational institutions such as universities of technology and FET Colleges to require experiential training for their students. It is advised that the municipality provides opportunities for such training in areas of excellence relevant for the business of the municipality.

Collection rate at each municipality is not conducive for financial viability and sustainable services. Municipality has conducted an internal study to address the Viability of institution where a strategy on Revenue Enhancement has been developed. This will inform the municipality on ways of addressing recovery and enhancing revenue through collection, billing etc.

2. FINANCIAL REPORTING AND BUDGETING

Financial Reporting is done on a monthly basis internally to the Finance, Audit, Mayoral and Council Committees, externally the finance reporting is made to National Treasury and the various transferring departments like COGTA, DWA, Department of Roads and Transport and any other departments that we are performing agency functions for. In the previous years we have encountered a lot of challenges when it comes to financial reporting but that has since been resolved with the assistance from National Treasury through their CFO support program which has assisted in eradicating the backlog we had on financial reporting and constant training on reporting performed by Provincial Treasury office in the district.

Municipal budget is the annual financial plan of revenue and expenditure of local government units, revenues and expenditures of budgetary establishments, auxiliary units, etc. It is passed in the form of a budget resolution. Construction of the contents of the budget is determined by a team of budgetary principles, among which the most important are the principles: unity, transparency, anteriority, balance, detail.

There are 5 Directorates (Budget & Treasury, Technical Services, Primary Health, and Environmental Health & Disaster Management) within the District Municipality. Each Directorate is allocated funds in the budget, the Directors are responsible to manage their allocated funds and accuracy is maintained.

In terms of budgeting all the budget related policies have been reviewed and approved by council. In terms of the Budget Framework Plan we are implementing according to the plan but what still need to be strengthened is the consultation of stakeholders so that we can get more although there is a budget steering committee which is in place and functional. We are also preparing budget as per the National Treasury guidelines and templates.

a. LINKAGE OF BUDGET TO IDP (LINKAGE AND ALIGNMENT)

Operations budget: the linkage between Budget & IDP are aligned and compliant as the committees are in place as the Steering committee it's called IDP/PMS/Budget Steering cause the three go together. All operations are incurred in terms of IDP. The capital allocation is mainly for the Water & Sanitation services as informed by Powers and Functions.

Capital expenditure consists of MIG, RBIG, MWIG, RHIG, ACIP and WSOG which are 100% aligned to IDP as they are spent on water & sanitation services. CHDM Municipal IDP gives attention to building its own delivery capacities and IDP's have improved over the last few years and are generally aligned to PGDP in terms of agrarian transformation, human resource development, economic diversification and tourism, infrastructure provision, and fighting poverty. However, there are some important gaps in the context of provincial alignment (e.g. housing, EPWP etc).

The Chris Hani IDP devotes considerable attention to building its own capacity and that of the local municipalities. Perhaps more attention could be given to how to improve co-operation with other arms of Government

3. ASSET MANAGEMENT AND SUPPLY CHAIN MANAGEMENT

We currently operate with a less staffed Asset Management unit. Asset management is incorporated under Budget and Reporting which was making the scope of work to be performed by the section to be huge and complex. Beginning of 2014/15 financial year this section has been splitted from supply chain management unit and new organogram has been developed and approved by the council and we are in a process of filling all the vacant positions as per new organogram. Currently we are using the external source with the few staff we had to assist in all the areas of assets (movable and infrastructure assets).

We do have an Asset Register which is updated on a monthly basis for the movable assets and we have also procured an Asset Software which is also assisting in the proper management of asset. The area that still to be strengthened is the management of Infrastructure Assets. Infrastructure asset register is only updated at the end of the financial year which sometimes posses challenge during the end of the financial year. An Asset Management Strategy has been developed in 2015/16 financial year and we do have an Asset Management Policy. In the event of loss and stolen assets is reported to the asset manager and the asset register is updated. This is a plan to unify the asset management function and financial management system.

On Supply Chain Management the unit is the custodian of the institution's Supply Chain Management Policy which has been adopted by Council this policy is reviewed annually and ensures its implementation in its procurement processes at all times. The policy itself is in line with Treasury Guidelines and is renewable annually.

The unit has the following key priority areas:

- To ensure that the municipality has and implements a supply chain management policy, this gives effect to the provisions of the act.
- To ensure procurement of goods and services in a fair, equitable, transparent, competitive and cost effective and comply with the prescribed regulatory framework
- That all reasonable steps are taken to ensure that proper mechanisms are in place and separation of duties in the supply chain management system is implemented to minimise likelihood of fraud, corruption, favouritism and unfair and irregular practises.
- To ensure that all contracts/agreement are in writing and are procured in line with the Supply Chain Management
- To ensure that the supply chain management delegations are properly enforced and managed
- That the municipal bid structures are in place and effective, to ensure competitive bidding process.
- Ensure submission of proper, accurate and applicable reports as per MFMA
- To ensure the disposal of municipal assets in accordance with the applicable legislation.
- Ensure that municipal inventory levels are kept at an acceptable levels as per the Municipal SCM policy

The institution is implementing a Database Rotation system for the procurement for goods and services for the operational budget depending on delegation as per legislation, and is using an electronic order system for purchases. Also the bidding system is followed as per legislation in terms of capital appointments and according to the delegations. There are three bid committee structures that are active and have own set of dates that they normally follow to attend to matters.

The Bid Committees are: the Adjudication Committee *that* is comprised of HoDs, SCM Manager and is chaired by the CFO of the institution. Specification and Evaluation Committees are appointed by Municipal Manager in line with MFMA and as well SCM officials assist in sitting of these committees.

CHDM has the following elements of SCM that are fully functional:-

Demand management: This is the beginning of the supply chain, and must begin with a needs assessment, to ensure that goods or services are required in order to deliver the agreed service, that specifications are precisely determined, that requirements are linked to the budget and that the supplying industry has been analyzed.

Acquisition management: It is the management of procurement by the municipality to decide on the manner in which the market will be approached; to establish the total cost of ownership of a particular type of asset; to ensure that bid documentation is complete, including evaluation criteria.

Logistics management: This aspect addresses the setting of inventory levels, placing of orders, receiving and distribution of material and goods, stores, warehouse and transport management, expediting orders, the review of vendor performance, maintenance and contract administration.

Disposal management: A supply chain management policy must provide for an effective system of disposal or letting of assets no longer needed, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the MFMA.

Contract Management: this section addresses the validity of our contracts in terms of compliance and applicable deliverables. It also monitors any variations that may be incurred.

Risk management: risk management is maintained in all elements of SCM by putting in place proper controls. Risk management includes identification of risks on a case-by-case basis;

Performance management: This is a monitoring process, undertaking a retrospective analysis to determine whether the desired objectives were achieved. Some of the issues that may be reviewed are: compliance to norms and standards; cost efficiency of procurement process (i e the cost of the process itself).

4. ACCOUNTING SYSTEMS ADMINISTRATION

The unit is under Budget and Treasury department and its main Objective is to maintain the financial management systems for the District Municipality and it's Local Municipalities as well as Integration of data and or information between the systems that the district municipality use.

Unit uses various systems on a day to day basis. Systems that are in use are as follows

eVenus

The institution uses this financial Management System for:-

- Processing of payments
- General Ledger
- Bank control
- Assets and Fleet management

Cashdrawer

- For receipting all income received and general enquiries.

Pay Day Software

- The system helps us with Payroll, Human resources, Posts, Equity, Skills.

Bankit

- We use the system for uploading payments for creditors and salaries to our FNB account.
- Collection of money from our debtors and down loading the bank statements.

Supplier Database (Saratoga)

- This system does supplier database management including rotation of suppliers.

CaseWare

- This tool assists us in the preparation of GRAP compliant Financial Statements and it also generates financial reports as per National Treasury Guidelines i.e. S71 reports and Budget forms.

Asset Ware

- It is a financial tool for Asset tracking and Management

Time Zone

- Financial security system

This Unit of Accounting Systems Administration gives support to some of our local municipalities which are using the same accounting packages as the district. They get shared support, skills transfer and systems administration on the systems above with district municipality.

- Lukhanji Local Municipality
- Intsika Yethu Local Municipality
- Inkwanca Local Municipality

5. ANNUAL FINANCIAL STATEMENT AND AUDIT

Budget and Treasury office have a section responsible for preparation of Annual Financial Statement and Audit Coordination. The key areas of this section are

- Preparation and submission of Annual Financial Statements
- Ensuring that audit is performed well by Auditor General and required information is submitted to them timeously
- Ensure that Audit Action plan is developed and implemented

5.1 AG'S OPINION AND AUDIT ACTION PLAN

Municipality has shown improvement on the Audit in the past two years as our audit opinion has changed from Disclaimer to Qualification. Qualification has been achieved in the past two years and the institution is striving for Unqualified Opinion as we believe we can achieve that. To ensure that matters raised by AG are addressed promptly, CHDM has established Audit Task Team which sits weekly to make tasks easy for the Steering Committee. Key areas of focus that the institution needs to focus on are issues of Compliance, Performance Management, and Reconciliations of Grants which were not disclosed properly in the previous financial years. An action plan has been developed which details the process to be followed in rectifying the findings raised in the audit report. The AFS and Audit Coordination section is responsible for ensuring that the institution work on improving the audit opinion by ensuring that action plan is being implemented and report is prepared and submitted to council on progress.

2.4.5 GOOD GOVERNANCE and PUBLIC PARTICIPATION

Good Corporate Governance underpins all the programmes and projects presented in this 2016-2017 IDP Review. Good governance dictates that the Municipality should conduct its business in an Open, Transparent and Accountable manner. For this to be realised, community participation is essential hence the municipality developed policies and strategies to liaise and interact with communities, amongst those are Stakeholder Mobilisation Strategy, Public Participation Strategy, and Communication Strategy etc. The establishment of a caring environment requires emphasis not only on community participation, but also on customer care and responsiveness. With regard to Customer Care, the Municipality has embarked on a programme to engage customers with regard to their level of satisfaction with municipal services and the development of a new Customer Care Framework. In the current IDP review period, foundational work has been done in terms of the completion of a comprehensive survey of all types of customers. Soon thereafter, the focus will shift to embedding a robust system of customer relations management, anchored in clear service standards, customer responsiveness, and the monitoring and evaluation of ongoing customer perceptions and feedback. The revival of the Batho Pele Campaign will complement this effort and galvanise the institution to embrace a culture of putting people first.

1. COMMUNICATIONS

The Communications unit was established in order to provide a link between the municipality and the community, providing communication service for all CHDM Directorates. The communication function is politically accountable to the Executive Mayor and the unit of communication is at the Strategic Directorate. This function of communication is a legislative requirement as guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 32 that gives a right to every citizen to Right to Access any information held by the state. The Municipal Systems Act 32 of 2000 Chapter 4, which requires Public Participation of communities and stakeholders in decisions of councils. The Promotion of Access to Information Act No. 14 of 2000 which indicates how communities can access information at any given time. The Municipal Finance Management Act 56 of 2003 which encourages publication of information and consultation with communities. The District IDP which seeks to achieve the prescripts of the mission and vision and further the National Government Communications Plan which provides framework for government communication and the SALGA National Communications Conference Resolutions of May 2006.

The Unit is guided by the following Strategic Objectives

- To strategize for municipal communication per communication challenges of the District
- To regulate municipal communication
- To maintain uniform corporate identity and image that promotes the municipal vision, mission and values
- To facilitate a coordinated two way flow of communication between municipality and its internal and external publics
- To provide communication support to all Directorates

Communication Strategy

Communication Strategy has been developed and approved by Council in 2014/15 financial year, so that the unit would develop and implement a responsive communication strategy with a programme of action that is aligned to the municipal IDP, to guide communication activities of the municipality and should be linked to the term of Council. The strategy is reviewed annually and adopted by Council after a consultative process with relevant stakeholders. As one of key mandates of the developmental local government is to ensure participation and communication to all stakeholders each and every year its imperative that this is reviewed annually and adopted by council. For 2016-2017 Financial Communications Unit intends to develop a New 5 Year Communication Strategy linked to the term of Councillors.

The objectives of the strategy are to encourage meaningful public participation through promotion of government programmes; To promote and articulate CHDM plans, policies and achievements. To facilitate proactive communication on matters of disaster risk management, health and environmental issues; To strengthen and improve internal communication systems; To reinforce intergovernmental relations through coordination of communication programmes and activities amongst the three spheres of government and to create and maintain sound relations with the media. Communication Policy was further developed and this has to be developed and implementation of a communication policy had to set out clear regulations and procedures for communication in the municipality. The policy is currently incorporated in the Communication Strategy and is reviewed annually.

Communication Structures are in place to ensure establishment of vibrant communication structures within the district to ensure smooth flow of information and alignment of programmes. A District Communication Forum chaired by the Manager Communications has been established, Local Communication Fora are established and the Manager of Communications participate in the Municipal Managers' Forum, an IGR structure that includes government departments and parastatals. A Communication Task Team (CommTask) is also established as an internal communication structure.

Marketing and Branding

The unit develops and implements a marketing plan that seeks to ensure promotion of the municipality and its activities and programmes for the benefit of its publics, tourists and investors. This function requires maximum utilisation of various platforms in the print, electronic media arenas and exploitation of unmediated opportunities. The unit further develops marketing material such as banners, posters, leaflets, booklets and any promotional material. The unit also develops and oversee implementation of Branding Guidelines which regulate use of the municipal symbol, playing a leading role in the production of all branded material such as name tags, business cards, stationery, corporate wear, corporate gifts, vision and mission statements, also maintaining brand visibility through office and boundary signage.

Website content authoring

The District Web site is a marketing, public participation and information dispensing tool. The unit is therefore responsible to constantly update the website with relevant content while the ICT section is responsible for the technical side. All important documents which are for public are uploaded on the website, documents like IDP, SDBIP, Performance Agreements of Sec 56/57 Managers, Budget, IDP/Budget/PMS Process Plan, IDP Framework, Tenders awarded etc

Advertising

The unit is responsible for all advertising pertaining to: Council meetings, council announcements / messages, events, project launches, annual reports, budget processes, IDP programmes etc.

Media Liaison and Monitoring

The unit liaise with various media houses (radio, television and newspapers) for the purposes of disseminating information to the public and responding to media queries, record and keep track of what is publicized about the municipality and any news relating to local government and report to council.

News letters

The communication unit publishes a quarterly newsletter called “**Uphuhliso**” currently in two languages (isiXhosa and English). The main objective of the publication is to disseminate information, encouraging public participation in the process. The content is sourced from various directorates. An internal news letter “InnerView”, is also published to keep internal stakeholders informed of Council business also affording them a platform to air their views. The publication is done in house and produced monthly.

Presidential Hotline Queries

The unit is also charged with monitoring and coordination of hotline queries on line, facilitate responses and report.

Events

The unit plays a prominent role in the coordination of ALL Council events by providing communication support, such as media liaison, branding, photography etc. The events range from Outreach, IDP Road shows, Chris Hani Month, Tourism / Heritage month, Institutionalized days such as Womens' Day, ISDR etc. Production of Annual Report, the unit is responsible to produce a compliant annual report: this involves sourcing of information from Directorates, collating and editing and ensure commissioning of printing services.

2. SPECIAL PROGRAMMES UNIT

The Special Programmes Unit (SPU) is a developmental office coordinating the upliftment of designated groups (i.e. Gender, Youth, and People with Disabilities, Children and The Elderly) and ensures that all CHDM Directorates mainstream their programmes. The Special Programmes Unit is located in the Strategic Directorate.

This function is a legislative requirement guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 9 that declares everyone is equal before the law and has the right to equal protection and benefit of the law. The Local Government Municipal Systems Act 32 of 2000 Chapter 4 which requires public participation of communities and Municipalities to take into account the special needs of designated groups. The Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 and South Africa's National Policy Framework for Women's Empowerment and Gender Equality of 2000 that promote and protect women's rights towards achieving gender equality.

The Integrated National Disability Strategy of 1997 requires us to drive the government's equity, equality and empowerment agenda in terms of those living with disabilities. The National Youth Policy of 2008 is a framework for youth development across the country which endeavours to ensure that all young women and men are given meaningful opportunities to reach their full potential, both as individuals and as active participants in society.

The Constitution of the Republic of SA, The South African Children's Charter, and Children's Act 38 of 2005 encourages government to develop a non-sexist, discrimination-free, equitable and inclusive society that protects and develops the human potential of its children. The Older Persons Act 13 of 2006 seeks to promote the rights, prevent and combat the abuse of older persons. The District IDP which seeks to obtain the vision, mission and promote the values of a caring society.

STRATEGIC OBJECTIVES OF THE SPU

- To assist CHDM in monitoring and evaluation of the integration and mainstreaming of Special Programmes in the IDP and sector plans.
- To facilitate and coordinate the development of District Gender Policy, District Integrated Disability Strategy, District Youth Strategy and Coordinate and Monitor the implementation of Children's and Older Persons Rights Strategies.
- To coordinate the participation of vulnerable groups in development through their designated forums.
- To capacitate designated groups forums in order to manage their programmes and projects effectively.
- To promote civic education on legislation, policies and programmes affecting designated groups to strengthen social cohesion.
- To coordinate the commemoration of institutionalised days.

The unit develops a holistic policy that responds to the changing conditions of vulnerable groups in partnership with other stakeholders to ensure that they grow, develop and prosper as fully engaged responsive and productive citizens.

It shall articulate the values of respect, participation, access, equity, diversity, redress, responsiveness, transparency, gender sensitive, team work and ubuntu.

The unit shall develop and implement a responsive special programmes strategy with a clear programme of action that is aligned to the district IDP linked to the term of council. The strategy must be reviewed by all relevant stakeholders annually and be adopted by council.

The strategy highlights priority targets and interventions to be actioned for the betterment of the vulnerable groups in areas such as education and skills development, employment and economic development, health and wellbeing, social cohesion and public participation, information and communication, violence and abuse against women and children, access and integration of people with disabilities, arts, sports and culture.

The unit has a functional District Special Programmes Unit Forum to support, coordinate and mainstream the programmes in the departments and the IDP. This forum is made up by representatives from all local municipalities and the district. The district technical task team is established to support the local municipalities to plan and integrate their programmes adequately. The Special Programmes shall the requisite personnel to attend to the challenges of the designated as recommended by SALGA and COGTA.

The unit shall support and advise the local municipalities, monitor the implementation of the strategy, liaise with Chapter 9 institutions, advice and brief the political and administrative heads respectively on all matters affecting designated groups.

The SPU Section has identified areas which need to be resolved to ensure that youth, people with disabilities, the elderly, children and gender issues are addressed within the institution:

- Strategic focus responds to a need for skills development through education and training.
- Demographic analysis does not provide accurate picture about youth. It provides no information about the levels and types of disability. It provides no information about children. This unclear picture compromises targeted programming, impact benchmarking and evaluations.
- IDP does not provide a district skills profile. It only assumes the need for education and training on the basis of high number of youth in the district, without even quantifying that number. Information is neither disaggregated according to gender nor disability. In the absence of such skills profile training interventions are compromised in terms of impact benchmarking and evaluation.
- It is not clear how the 26% youth ownership of SMMEs is distributed across economic sectors in the district. The same is not said about women ownership, except that their dress-making enterprises make up 44% of the manufacturing sector. Nothing is said about disability. The determination of any support for promotion of enterprise development would be compromised if based on such inadequate planning information.
- IDP emphasizes the lack of recreational facilities for youth especially in former homeland areas. It is silent on recreational needs of women and people with disabilities, children and the elderly.
- Need to focus on land tenure is limited only to youth and women, to the exclusion of people with disabilities. This may lead to this group being excluded from housing beneficiation as well as land for commercial purposes.
- IDP silent on HIV/Aids and disability, children and the elderly. This may lead to inappropriate strategies and resource misallocation.
- IDP acknowledges need for appropriate baseline information for proper planning. It acknowledges need for policies, mechanisms, processes and procedures for mainstreaming. It acknowledges need for improving coordination.

3. Inter-Governmental Relations (IGR)

The function of the structure is to align the planning cycles of the different spheres of government to ensure that IDP is a reflection of national plans at a local level. CHDM has developed an IGR Strategy and for the financial year key is implementation of IGR Strategy as driven by IGR Core Team and adopted by council.

The Executive Mayor of the CHDM is convening the DIMAFO of the District. It is composed of :-

- All Mayors in 8 municipalities
- The Departmental officials in the District

The Technical IGR Forum also is operational as chaired by Municipal Manager of CHDM, this forum seats quarterly and is attended by all senior management of the institution as well as all sector departments' senior management. This forum discusses service delivery issues and issues discussed are alleviated to the District

Mayors Forum for endorsement and for political buy-in, meaning it further informs the agenda of the DIMAFO.

- Technical advise on policy / program debate
- Develop an agenda
- Report on progress

The Executive Mayor attends the Premier's Co-ordinating Forum to raise issues that talk to Strategic positioning of the CHDM in the fight against poverty. The MM attends the Technical Forum with the Director General of the Province. SALGA is an integral part of all these processes as the organized body of the local government

Challenges

- Failure by government structures to utilise Intergovernmental Relations as a planning tool;
- Lack of joint implementation of projects by government structures;

Risk Management

The District has developed and adopted Risk Management Policy which is adopted by Council and the unit manages the process and the Municipal Manager assesses the implementation of risk management plans. The progress on the implementation of risk management plans is monitored by the Performance Audit Committee. Institution is in a process of appointing Risk Management Committee and this will be blessed by council.

Internal Audit Function

The Internal Audit Unit of the Chris Hani District Municipality was established in terms of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA') which states that Accounting Officer is responsible for managing the financial administration of the municipality and that the municipality has and maintains, effective and transparent systems of internal audit, operating in accordance with any prescribed norms and standards. The internal audit activity evaluates risk exposures relating to the organization's governance, operations and information systems, in relation to:

- Effectiveness and efficiency of operations.
- Reliability and integrity of financial and operational information.
- Safeguarding of assets.
- Compliance with laws, regulations, and contracts.

Based on the results of the risk assessment, the internal auditors evaluate the adequacy and effectiveness of how risks are identified and managed in the above areas. They also assess other aspects such as ethics and values within the organization, performance management, communication of risk and control information within the organization in order to facilitate a good governance process.

The internal auditors provide recommendations for improvement in those areas where opportunities or deficiencies are identified. While management is responsible for internal controls, the internal audit activity provides assurance to management and the audit committee that internal controls are effective and working as intended.

The internal audit activity is led by the Internal Audit manager and the Manager delineates the scope of activities, authority, and independence for internal auditing in a written charter that is approved by the audit committee and adopted by Council

The Internal Audit Activity is manned by six capable Internal Audit practitioners who are members of the Institute of Internal Auditors. The IIA is the primary body for the internal audit profession; it maintains the International Standards for the Professional Practice of Internal Auditing and the profession's Code of Ethics. IIA members are required to adhere to the Standards and Code of Ethics.

The Audit Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA') which states that "Each Municipality and each municipal entity must have an audit committee." The purpose of the Committee is to assist and advise the Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process, performance management and evaluation, Council's process for monitoring compliance with laws and regulations and Council's code of conduct.

The Chris Hani District Municipality's audit committee is shared amongst the three Municipalities i.e. CHDM, Intsika Yethu Local Municipality and Engcobo Local Municipality; the committee is constituted by three highly qualified professionals who are neither members of management nor members of Council

An audit committee typically serves as the liaison among the Council, external auditors, internal auditors, and financial management. Generally, the audit committee's purpose is to assist the Council in overseeing the:

- Reliability of the entity's financial statements and disclosures.
- Effectiveness of the entity's internal control and risk management systems
- Compliance with the entity's code of business conduct, and legal and regulatory requirements
- Independence, qualifications, and performance of the external auditors and the performance of the internal audit activity.

The Performance Audit Committee

Section 195 of the Constitution established the promotion of the efficient, economic and effective use of resources as one of the democratic values and principles of public administration and for this reason the Chris Hani District Municipality established a Performance Audit Committee. A performance audit is an independent auditing process aimed at ensuring that satisfactory management measures have been instituted to confirm that resources are both acquired economically as well as used efficiently and effectively. Essentially, it entails "optimal (best) use of available resources", "to achieve the stated goals", in the "least expensive way". The Performance Audit Committee is constituted by three independent individuals who are not employees of the Chris Hani District Municipality, with appropriate business, financial, academic credentials and with suitable leadership skills. These three independent individuals are deemed voting members. The Performance Audit Committee meets at least four times during a financial year (one meeting per quarter). The Chairperson convenes any additional meetings, as deemed necessary, at his/her own volition or upon the request of the internal and/or external auditors, the Accounting officer and/or any Performance Audit Committee member.

Functions of the Performance Audit Committee

More and above the provision of credible view of the efficiency and effectiveness of the performance management of the municipality this Committee facilitates consideration of the annual report in its entirety and also performs the following functions: Review quarterly reports, the Annual Financial Statements (AFS) and any other reports deemed necessary, regarding the performance of management of the CHDM; Review quarterly reports of Internal Audit regarding auditing of performance measurements; Reviewing significant differences of opinion between management and the internal audit function; Review the Municipality's performance management system and make recommendations in this regard to Council; and, In reviewing the performance management system, the committee focuses on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned; In this regard it is provided with the relevant Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plans (SDBIP).

Accountability

- (i) The Chairperson of the Performance Audit Committee accounts to Council and the Executive Mayor, via the Municipal Manager.
- (ii) The Chairperson of the Performance Audit Committee submits an annual report to the Council after the Management Letter has been received from the Auditor-General.
- (iii) The Chairperson of the Performance Audit Committee prepares a statement, for inclusion in the annual report, commenting on performance management and performance evaluation.
- (iv) The Chairperson reports and makes recommendations of any material findings to the Executive Mayor via the Municipal Manager.
- (v) The Chairperson of the Performance Audit Committee serves on the Assessment Panel for Section 57 Employees according to the performance regulations.

4. Public Participation

A recent study by the Department of Social Development has indicated that residents in ISRDP nodes rate their local authorities higher than other spheres of government but cynicism is beginning to increase. There is a growing perception that all spheres are not doing anything to improve the lives of residents. In addition there is a growing sense of alienation i.e. that a person has no influence on their surrounds or community and a growing lack of apathy towards attending community participation programmes like the IDP. It is therefore even more important that CHDM increases its public participation and feedback mechanisms. Reviewed Public Participation Strategy as adopted in 2014 Council meeting guides and inform all these initiatives.

CHDM currently runs IDP and Budget roadshows on a yearly basis in all municipalities. In addition it hosts several public knowledge sharing days on health issues, hygiene, water and sanitation usage, supply chain management, disaster and fire prevention strategies and fire, occupational health and safety, LED, GIS and Planning. To strengthen the relations with Traditional Leadership the House of Traditional Leadership of the region is a stakeholder that sits on our Representatives Forum. In accordance with the Local Government Municipal Systems Act, the CHDM holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspapers calling for interested parties to contact the CHDM.

Once the IDP and budget have been drafted and tabled at Council, the CHDM places another advertisement calling for public comments. Copies of the document are lodged at all the Libraries within the district and at Local Municipalities. After this process, the CHDM further embarks upon IDP and Budget Roadshows to the communities' at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the CHDM's officers, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion. Records of these meetings are kept and a document is drafted to keep track of the responses and to disseminate to other government departments for follow up and actioning, where necessary, through intergovernmental forum meetings and Rep Forum. Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where Committees and members of the community are invited to a Council meeting. The amended/Draft IDP and Budget is again presented for the last time before they are submitted to Council for adoption. Council procedures are relaxed for the Council Open Day to allow the communities to speak and voice their comments after the presentations have been made. These comments are again collated into a document.

The IDP/Budget Road-shows are conducted annually and all Local Municipalities with the district are visited, the mayoral committee champions the initiative. Below is a proposed time schedule to be followed per LM in April 2016.

MUNICIPALITY/AREA	VENUE	DATE	TIME
1.Engcobo Local Municipality	Engcobo Town Hall	<i>By the Month of April 2016</i>	10h00
2. Nkwanca Local Municipality	Molteno Community Hall		10h00
3.Tsolwana Local Municipality	Tarkastad Community Hall		10h00
4. Sakhisizwe Local Municipality	Elliot Town Hall		10h00
5.Inxuba Yethemba Local Municipality	Cradock Town Hall		10h00
6. Emalahleni Local Municipality	Dordrecht Town Hall		10h00
7. Intsika Yethu Local Municipality	Cofimvaba Town Hall		10h00
8. Lukhanji Local Municipality	Indoor Sports Centre		10h00

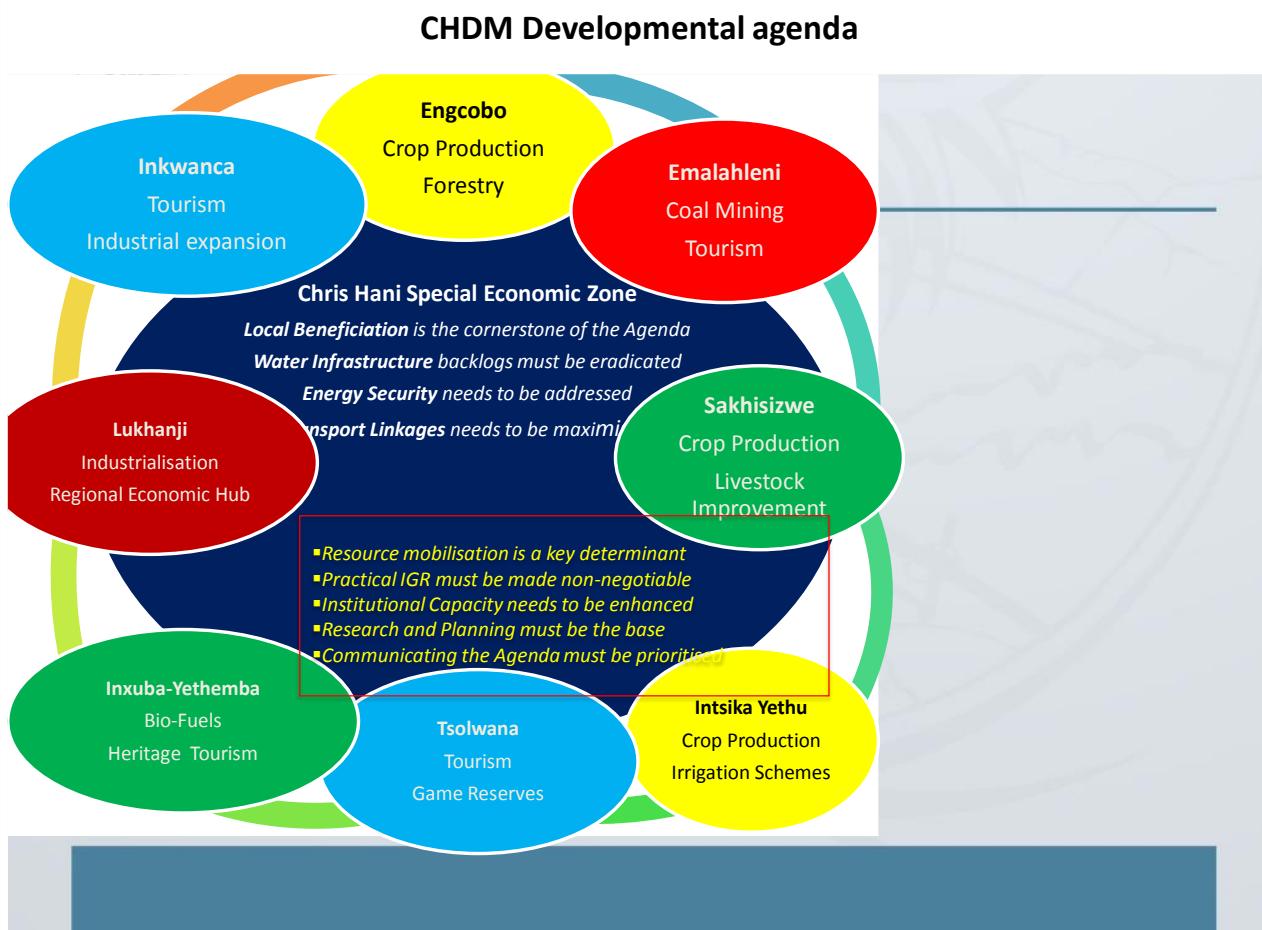
CHAPTER 3

CHDM BROAD STRATEGIC OBJECTIVES

CHDM long term vision has been born out of Analysis of the Chris Hani Status Quo and developed through intensive participatory processes. Our Vision and Mission as well as Objectives, Strategies and Programmes are informed by the Development Agenda of the district which in one way or the other seem to be aligned to the National Development Plan 2030 as these programmes seek to address the three challenges that South Africa in general face , which are Inequality, Poverty and Job Creation. The NDP 2030 seeks to help us to chart a new course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. CHDM through the IPED department also focuses on economic and social growth which flows from the Constitution of RSA Sec 152 and Sec 153, the sections refers to promotion of economic and social growth.

According to NDP 2030 everything is aimed at reducing poverty and inequality. Our view as CHDM same as the National government view is to shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan. This IDP Review of 2016-2017 seeks to address exactly those three challenges. Furthermore the institution further believes that these objectives, Strategies and Indicators would lead to us focusing o the very same principles of ‘Back to Basics”

This is explained through a programme that CHDM Council together with its Councils of Local Municipalities has committed to follow.



Vision:

Again the our stakeholders through Strategic Planning Sessions both departmental and Institutional felt that the current vision and mission as well as values which we adopted during 2012 for the 2012-2017 IDP are still relevant and represent who we are.

"A People-Centred Developmental Rural District Municipality"

Mission:

"To co-ordinate governance for quality service and better communities through co-operative governance, socio-economic development, integrated development planning, and sustainable utilization of resources"

Values:

C=Commitment

H=Humanity

R=Respect

I=Integrity

S=Sincerity

H=Honesty

A=Accountability

N=Nurturing

I=Innovative

In an effort to realize the institutional vision, CHDM has developed 5 Broad Strategic Objective as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda). These Broad Strategic Objective also remain unchanged for this period of IDP Review 2016-2017 and this is further informed by the fact that this IDP Review is a product of this same Council and 2016-2017 is the last IDP Review of the 2012-2017 IDP.

CHDM 5 KEY BROAD STRATEGIC OBJECTIVES

- 1. Ensuring an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate.**
- 2. To consistently create an enabling environment for Economic Growth, Rural Development and Employment opportunities.**
- 3. Ensuring provision of Basic Services in a well structured, efficient and integrated manner.**
- 4. To encourage the involvement and collaboration of Communities and Stakeholders through working together to achieve good governance in an integrated manner.**
- 5. To establish and maintain a skilled labour force guided by policies to function optimally towards the delivery of services to communities.**

1.Broad IDP Strategic Objective		TO CONSISTENTLY PLAN AND CREATE AN ENABLING ENVIRONMENT FOR SUSTAINABLE ECONOMIC GROWTH, RURAL DEVELOPMENT AND EMPLOYMENT OPPORTUNITIES
Priority area: 1		Investment Promotion

Measurable Objective	Strategy	KPI	Baseline	2016-2017 IDP Review	
To bolster district economic growth through investment promotion	Encourage Public and Private sector investment in the District Economy through CHDA.	Development of SLA between CHDM and CHDA on investment promotion	No SLA between CHDM and CHDA.	Signed SLA between CHDM and CHDA on investment promotion.	

Priority area: 2		FORESTRY DEVELOPMENT		
Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To strengthen the Forestry as a sector that contributes to economic development.	Implementation of Forestry strategy.	Forestry strategy in place	Develop the forestry implementation plan.	Saw milling projects in selected LM's as well as Promotion of Afforestation and Forestry Management programmes
		Two (2) Charcoal projects in place.	Two Partnerships established on Charcoal Projects.	Establish two Partnerships on Charcoal
		No partnership in place.	One Partnerships established on Tree Nursery Projects.	Establish one Partnerships on Tree Nursery projects.

Priority area: 2	TOURISM PROMOTION AND HERITAGE DEVELOPMENT			
Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To ensure preservation of Heritage Resources and Promotion and development of Tourism within the district	Implementation of Tourism Master Plan	Tourism master plan in place.	Identify Five (5)Tourism Programmes to be implemented as per the Tourism Master plan	Provision of support to CHARTO, Provision of Tourism SMME Support, Destination management and marketing, Develop tourism routes
	Implementation of the Heritage strategy	Heritage strategy in place.	Identify and implement heritage initiatives.	Implementation of the identified Heritage initiatives,

Priority area: 4 SMME & COOPERATIVE DEVELOPMENT				
Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To create a conducive environment for SMME & Cooperative development	Implementation of the SMME development strategy	SMME strategy in place.	Identify SMMEs to be supported for the 2016/2017	Support and Monitor the identified SMMEs.
	Reviewal of agreement as per the SLA with CDC.	SLA in place.	Reviewed SLA between CHDM and CDC.	Implementation of SLA with CDC

Priority area: 5	LIVESTOCK DEVELOPMENT			
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Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To strengthen the Agriculture as a sector that contributes to economic development	Implementation of the Agricultural Strategy	Agricultural strategy in place.	Identification of Livestock programmes to be supported in 2016/2017.	Implementation of the identified Livestock programmes

Priority area: 6 CROP PRODUCTION, AGRO PROCESSING & IRRIGATION SCHEMES				
Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To strengthen the Agriculture as a sector that contributes to economic development	Strengthen the mechanization centre to support the farming community.	Existing Mechanisation centre-Ncora	Identify areas that need strengthening in the mechanization centre.	Implementation of the identified support areas working together with CHDA.
	Improving crop production through introduction of new cultivars and supply of production inputs.	Crop production programme implemented in 14/15.	Identify dryland programmes to be supported.	Implementation of the identified Crop production programmes.
	Revitalising Infrastructure of Irrigation Schemes.	Five irrigation schemes in place.	Identify infrastructure needs for support.	Implementation of the prioritized infrastructure needs.

Priority area: 8	SMALL TOWN REVITALISATION			
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Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To promote revitalisation of urban areas and townships for economic development	Implementation of Small Town Revitalisation Strategy	03 Strategies developed	Four (4) small towns to be assisted	Development of the support plan which includes Paving and Beautification of Small Towns.

Priority area: 9	PLANNING			
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Measurable objectives	Strategies	Baseline	KPI	2016-2017 IDP Review
To ensure forward planning for the district in compliance with legislation	Review and Implement Spatial Development Framework & LSDFs.	SDF in place	Identify priority areas in the SDF for implementation.	Implementation of the reviewed SDF
	Development & Review of 5 yr Integrated Development Plan	5 year IDP in place	Adopted IDP	Development of 2017-2022 five year IDP for the Next Council

Priority area: Human Settlements				
Objective	Strategy	Baseline	KPI	2016-2017 IDP Review
To facilitate development of sustainable human settlements	Implementation of Destitute Houses programme at LM's.	Six(6) destitute houses built	Identification of the destitutes for 2016/2016	Implementation of the identified destitute Houses within the apropraoted budget
	Facilitate replacement of Emergency Temporal Shelters by Permanent shelters	0	Forge agreement with department of Human Settlements for the implementation.	Replacement of emergency shelters with permanent structures in line with SLA.

1.BROAD IDP STRATEGIC OBJECTIVE	To encourage the involvement and collaboration of communities and stakeholders through working together to achieve good governance in an integrated manner.
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PRIORITY AREA	MEASURABLE OBJECTIVE	STRATEGY	BASELINE	KPI	2016/2017 IDP TARGET
FLEET MANAGEMENT	To ensure that the fleet is managed in accordance with the Fleet Management Policy.	Reviewal and Implementation of Fleet Management Policy.		Reviewed and implemented Fleet management Policy.	Fleet Management Policy reviewed and implemented.
		Acquisition of fleet		No of vehicles to be procured on RT57	Acquisition/Procurement of Fleet
		Management and maintenance of fleet asset		Number of reports submitted on management and maintenance of fleet	8 Reports submitted on Management and Maintenance of Fleet
Building Maintenance	To safeguard the municipal assets in compliance with the safety standards	Construction and Maintenance of buildings		Number of buildings constructed and maintained	Three buildings maintained and one constructed

PRIORITY AREA	MEASURABLE OBJECTIVE	STRATEGY	BASELINE	KEY PERFORMANCE INDICATOR	2016/2017 IDP TARGET
Security Services	To safeguard the municipal assets in compliance with the safety standards	Development and Implementation of security		Approved security management plan and % implementation of the plan	Approved security management plan and 30% implementation (phases)

		management plan			
Records Management	Safeguarding of information in line with legislation and prescripts	Implementation of the Records Management Policy, procedure manuals and file plans.		% implementation of the policy, procedures and file plan	30% implementation of EDMS
Council Support	To render effective administrative support to council and its committees	To provide support in the implementation of the Council Rules of Order		Review rules of order, awareness and induction programmes	Approved reviewed Rules of Order Two induction programmes
Legal Services	To provide proactive legal solutions to Council in order to mitigate risks	To develop and implement litigation management strategy		Approved and implemented litigation management strategy	Approved and implemented litigation management strategy
		To develop the municipal code		Percentage of by-laws and policies rationalised	30% by-laws and policies rationalised

PRIORITY AREA	MEASURABLE OBJECTIVE	STRATEGY	BASELINE	KEY PERFORMANCE INDICATOR	2016/2017 IDP TARGET
ICT Governance	To ensure effective ICT Governance	Implementation of ICT strategy		Number of ICT strategy programmes implemented	4 programmes implemented
ICT Infrastructure Management	To ensure development,	Provide network		Percentage implementation of secured network infrastructure in	30% implementation of secured network infrastructure in the

	management and security of ICT infrastructure	connectivity and security that responds to the needs of the municipality		the district	district
Employee Wellness	To promote employee wellness within the organisation	Implementation of the Employee Wellness Strategy		Number of wellness interventions implemented	9 wellness interventions implemented
Occupational Health & Safety	To provide safety measures for the Councillors and Employees of the CHDM	Implementation of the OHS Strategy		Number of OHS programmes implemented	5 OHS programmes implemented
PRIORITY AREA	MEASURABLE OBJECTIVE	STRATEGY		KEY PERFORMANCE INDICATOR	2016/2017 IDP TARGET
Human Resources	To develop and empower workforce to enhance their skills and competencies	Implementation of HRD strategy		Number of HRD programmes implemented	4 HRD programmes implemented
Human Resources Transformation	To ensure compliance with the employment equity act.	Implementation of employment equity plan		Number of people from employment equity target groups employed in three highest levels of management	50 % employment on three highest levels of employment equity target groups.
Organisational	To ensure sufficient	Implementation		% vacant funded positions filled	50% vacant funded positions filled

Development	human capital for the operations of the institution	of the reviewed organisational structure			
	To ensure that positions within the district are evaluated.	Grading of positions within the district		% positions evaluated for CHDM and Municipalities	50 % of positions evaluated
Labour Relations	To ensure compliance with labour relations laws and collective agreement	Maintain sound labour relations within the institution		No of labour relations programmes implemented	4 programmes implemented
				Effective function of Labour Relations structures	4 LLF Meeting convened

Broad IDP Objective: Ensuring provision of Basic Services in a well structured, efficient and integrated manner.

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
PRIORITY AREA: MUNICIPAL HEALTH SERVICES				
To provide quality municipal health services in	Monitor compliance of waste water quality with General and Special Standards regulation 991 and section 39 of National Water Act 36 of 1998	280 75%	Number of waste water samples taken % compliance of waste water samples taken	276 75%
	Monitor compliance of drinking water quality with	2278	Number of drinking water samples taken	2340

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
accordance with relevant legislations	SANS 241	97%	% compliance of drinking water samples taken	97%
	Monitor compliance with Foodstuffs, Cosmetics and Disinfectant Act (Regulation 692 of 2012) and (Regulation 962 of 2012)	100%	% of food premises issued with or renewed their Certificate of Acceptability	100%
		624	Number of food samples taken	624
		2200	Number of inspections conducted in food premises	2240
To provide quality municipal health services in accordance with relevant legislations	Monitor compliance with Management of Human Remains Regulation 363 of 2013	100%	% of funeral parlours issued with or renewed their certificate of competence	100%
		60	Number of funeral parlors inspected	68
	Monitor compliance with the NEM Waste Act of 2008 and National Health Act of 2003	14	Number of waste sites inspected	14
		8	Number of waste awareness campaigns conducted	8
	Develop and implement Paupers Burial Policy	100%	% of requests for pauper burials attended to	100%
	Monitor compliance with White Paper on Basic Household Sanitation of 2001	100	Number of sampled sanitation structures inspected	120
		40	Number of health and hygiene awareness campaigns conducted	40
	Observe Environmental Health Days	6	Number of environmental health awareness days observed	4

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
To provide quality environmental management and climate change services in accordance with environmental management legislative framework	Facilitate natural resource management through eradication of alien plants and encroaching species e.g. Wattle; Euryops <i>floribundus</i> (Lapesi)	300 hectares	Number of hectares of alien vegetation eradicated	150 hectares
	Facilitate climate change and greening programmes	None	Number of Waste-to-Energy Feasibility Studies conducted	1
		7840	Number of trees planted	7000 trees
		4	Number of Environment and climate change Forum meetings conducted	4
	Develop, implement and review environmental management sector plans	None	Number of Climate Change Response Strategies reviewed	1
		8	Number of Integrated Waste Management Plans developed	1
		None	Number of Invasive Alien Plant Management Strategy programmes implemented	1
To provide quality environmental management and climate change services in accordance with environmental management	Conduct Climate Change and Environmental Awareness Campaigns	8	Number of Climate Change and Environmental awareness campaigns conducted	8
	Observe Environmental Days	3	Number of Environmental Days observed	3

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
legislative framework				
PRIORITY AREA: DISASTER MANAGEMENT				
To prevent, mitigate and respond to the effects of disasters, fire incidents and occurrences in line with the Disaster Management Act 57 of 2002 and other relevant pieces of legislation	Provide support to the district in terms of fire and disaster prevention, mitigation and response	100%	Percentage of disaster related incidents referred to CHDM call center responded to	100%
		100%	% of disaster stricken households assisted with relief and recovery material	100%
		92	Number of disaster awareness programmes implemented	100
To prevent, mitigate and respond to the effects of disasters, fire incidents and occurrences in line with the Disaster Management Act 57 of 2002 and other relevant pieces of legislation	Provide support to the district in terms of fire and disaster prevention, mitigation and response	4	Number of disaster management ward structures established	10
		4	Number of local disaster management advisory forums established/revived	2
	Facilitate coordination of disaster management activities	1	Number of International Days for Disaster Reduction programmes conducted	1
		4	Number of District Disaster Management Advisory Forum	4

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
			meetings conducted	
PRIORITY AREA: FIRE SERVICES				
Ensure compliance with the Fire Brigade Act 99 of 1987, SANS 10090 and other relevant legislations	Construct Fire Stations in all local Municipalities.	0	Number of fire stations constructed	1
	Respond to 100% of all disasters, veld fires and hazmat incidents reported.	100%	Percentage of disasters, veld fires and hazmat incidents responded to.	100%
Ensure compliance with the Fire Brigade Act 99 of 1987, SANS 10090 and other relevant legislations	Facilitate support programmes to Local Municipalities	24	Number of fire awareness programmes conducted	24
		38	Number of fire inspections conducted	20
		100%	Percentage of structural Fires responded to	100%
	Capacitate district/ local and volunteer firefighters.	5	Number of trainings conducted	3
PRIORITY AREA: HIV AND AIDS INTERNAL				
To facilitate reduction of the spread and mitigate the impact of HIV, STI and TB	Provide technical support to Local Municipalities HIV and AIDS workplace committees	4	Number of Local Municipalities workplace committees provided with technical support	4

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
in line with relevant legislation				
	Coordinate Integrated HIV, STIs and T.B internal programmes	4	Number of integrated HIV, STIs and T.B internal programmes implemented	4
	Facilitate capacitation of internal stakeholders on HIV, STIs and T.B programmes	4	Number of capacity building programmes on HIV, STIs and T.B related aspects implemented internally	4
	Coordinate collaboration of internal stakeholders towards strengthening functionality of HIV and AIDS workplace committee	4	Number of HIV and AIDS workplace committee meetings conducted	4
	Coordinate integrated HIV,STIs and T.B mainstreaming programmes	2	Number of HIV, STIs and T.B mainstreaming programmes implemented	4
To provide healthy and safe environment for the children	Provide support to Early Childhood Development Centres	2	Number of Early Childhood Development Centres supported	4
PRIORITY AREA: HIV AND AIDS EXTERNAL				
To facilitate	Provide technical support to the Local AIDS Councils/	4	Number of Local AIDS Councils/ stakeholders provided with technical	4

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
reduction of the spread and mitigate the impact of HIV, STI and TB in line with relevant legislation	stakeholders		support	
	Coordinate integrated HIV, STI and TB programmes	4	Number of integrated HIV, STIs and TB programmes implemented	4
	Facilitate capacitation of stakeholders on HIV, STI and TB programmes	4	Number of capacity building programmes on HIV, STIs and TB related aspects conducted	4
	Coordinate collaboration of external stakeholders towards strengthening functionality of District AIDS Council (DAC)	4	Number of DAC meetings conducted	4
PRIORITY AREA: ANTIPOVERTY PROGRAMMES (WAR ROOMS)				
To facilitate and co-ordinate integrated poverty reduction programmes in line with relevant legislation	Facilitate creation of job opportunities through EPWP	100	Number of job opportunities created and sustained through EPWP	150
	Coordinate poverty reduction programmes in line with the District Antipoverty Strategy	20	Number of households assisted with poverty reduction interventions	20
		48	Number of antipoverty war rooms capacitated	24
		4	Number of integrated Antipoverty Strategy programmes implemented	4
	Coordinate collaboration of stakeholders towards strengthening functionality of District Antipoverty	4	Number of District anti - poverty forum meetings conducted	4

Measurable objectives	Strategies	Baseline	KPI	Targets 2016/2017
	forum			

Priority area		PROVISION OF BASIC WATER AND SANITATION SERVICES		
Measurable objectives	Strategies	KPI	BASELINE	2016-2017 IDP Review
To ensure universal coverage with respect to water services	Provision of water to households	No of households to be served with water	99558 households in 2012/13 financial year	Provision of water to households
	Contruction of bulk water services	Three(3) treatment works constructed with final completion by 2017.	16 Water treatment works in existence	Contruction of bulk water services
	Upgrading and refurbishment of Water Treatment Works.	Six(6)Water treatment works upgraded and refurbished with final completion by 2017.	16 watse water treatment works in existence	Upgrading and refurbishment of Water Treatment Works.

To ensure safe and acceptable sanitation service	Provision of basic sanitation.	7599 households served with basic sanitation.	61837 H/H in 2012/13	Provision of basic sanitation.
	Eradication of bucket system.	Assessment of the extend of buckets to be eradicated	339 Buckets eradicated in 2014/15	Eradication of bucket system.
	Upgrading and refurbishment of Waste Water Treatment Works.	Four (4)Waste Water treatment works upgraded and refurbished with final completion by 2017.	16 Waste water treatment works in existence	Upgrading and refurbishment of Waste Water Treatment Works.
	Construction of Waste Water Treatment Works	One[1] Waste Water Treatment works constructed with final completion by 2016.	16 Waste water treatment works in existence	Construction of Waste Water Treatment Works
To ensure sustainable water services provision	Reviewal of WSDP	Reviewed and approved WSP	WSDP in place	Reviewal of WSDP
	Implementation of Water Demand Management Strategy	No of bulk water meters installed and analysis report	No of bulk meters installed	Installation of bulk meters and analysis of water distribution losses

	Development of Water Resource Master Plan and Infrastructure Asset Management Plan.	Water resource Management and Infrastructure Asset Management Plans developed.	Draft Water Resource Management Plan. No Infrastructure Asset Management Plan	Development of Water Resource Master Plan and Infrastructure Asset Management Plan.
	Compliance with drinking and waste water quality standards in line with blue and green drop.	Risk abatement and water safety and process audit plans developed.	Aproved risk abatement,water safety and process audit plan for 14/15	Compliance with drinking and waste water quality standards in line with blue and green drop.
To ensure compliance with the DRPW SLA on roads maintenance	Implementation of SLA between CHDM and DRPW	2148 kms of roads bladed in the defined areas	Annual bladded roads as per the SLA	Implementation of SLA between CHDM and DRPW
		30kms of roads Gravelled in the defined areas.	Annual gravelled roads as per the SLA	Implementation of SLA between CHDM and DRPW

To provide planning and coordinating role towards ensuring safe public transport	Development of Integrated Transport Plan (ITP)	Integrated Transport Plan developed and implemented	2011/12 financial ITP in existence	Council Approved and implementation of Integrated Transport Plan
To create job opportunities through EPWP	Implementation of EPWP	No of job opportunities created	620 Full Time Equivalent jobs	Implementation of EPWP
	Implementation of EPWP contractor development programme	No of EPWP contractor development programme implemented	23 emerging contractors	Implementation of EPWP contractor development programme
To ensure involvement of communities in development programmes	Capacitation of communities to ensure involvement in all development programme	All projects implemented to have functional steering committees	Project Steering Committees set in all	Functional steering committees in all project.

IDP BROAD OBJECTIVE: Ensuring an Effective, Efficient and Coordinated Financial Management that enables CHDM to deliver its mandate

Measurable Objective	Strategy	Baseline	KPI	2016/2017 IDP Review
	Revenue Enhancement	Revenue	Review and Identify Revenue	Implement programmes identified

	Strategy	Enhancement Strategy	Enhancement programmes	
Ensuring sound and sustainable management of finances of district in line with National and Provincial norms and standards	Ensuring Expenditure management in line with the approved budget	Non adherence to MFMA Sec 65 (2) (e)	Adherence to Sec 65 (2) (e) of MFMA and Chapter 11 of MFMA	Quarterly reports of MFMA Sec 65 (2) (e) and chapter 11 of MFMA
	Integration and improvement of Financial Management Systems	Financial Management Systems not integrated	Identification of Financial Management Systems to be integrated for compatibility	Develop and implement a plan for integration of financial management systems
	Maintainance of Compliant and accurate Fixed Asset Register in line with GRAP Standards	Asset Register in place Asset Management Policy	Identify gaps in Asset Register and Asset Management Policy in line with GRAP Standards	Implement Identified programmes
To ensure timeous submission of accurate AFS	Compilation of Credible AFS	AFS 2014-2015	Compiled Credible AFS for 2014/2015	Submission of Credible AFS for 2015-2016

To prepare and adopt a Credible Budget	Preparation and tabling of Credible Budget	2015-2016 Approved Budget	Credible and approved Budget	Implementation of credible and approved budget
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3.Broad IDP strategic Objective		To encourage the involvement and collaboration of Communities and Stakeholders through working together to achieve good governance in an integrated manner.		
Priority area		Intergovernmental Relations		
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
Enhance Intergovernmental relations within the district	Implementation of IGR Strategy	IGR Strategy	Identification pf IGR Initiatives to be undertaken	Implementation of the IGR Strategy
Priority area		Customer Care		
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
To ensure effective and efficient customer care service	Development and implementation of a customer care strategy	None	Developed and Implemented Customer Care Strategy.	Implementation of the customer care strategy

Priority area	Risk Management			
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
To manage risk to a tolerable level as per Enterprise wide risk management framework	Implementation of Risk management strategy	Adopted Risk management strategy	Identification of Strategic and Operational Risks Management areas.	Implementation of Risk Management Strategy
To improve internal control environment	Implemntation of Internal Audit Charter and Risk based Audit Plan	Internal Audit Charter	Identify internal audit projects to be undertaken for the period.	Implementation of Interna Audit Charter

Priority area	Fraud and Corruption			
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
To prevent Fraud and corruption	Implementation of Anti-Fraud and Corruption plan .	Reviewed Anti-Fraud and Corruption prevention plan	Identify programmes to implemented on Anti-Fraud and Corruption	Implementation of Anti Fraud Plan

Priority area	International Relations.			
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
To foster developmental relations with other municipalities through twinning and partnership arrangements	Development and implementation of an International Relations Framework	Draft International Relations Framework	Identify programmes to be pursued.	Imlementation of IR Framework

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Priority area		Public participation		
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
To strengthen Public Participation on developmental issues within the district	Reviewal and Implementation of a public participation strategy	Public Participation Strategy	Identify Programmes to be implemented as per public participation strategy	Implementation of the of district wide public participation strategy
	Development and implementation of a social cohesion strategy	None	Develop and Identify programmes to be implemented as per Social Cohesion Strategy.	Develop and Implement Identified Social Cohesion programmes .

Priority area		Performance Management System		
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
Strengthen Institutional Performance planning,	Asserting a system of Accountability and	Performance Management Framework	Identify programmes to be implemented as per the PMF	Full Implementation of Perfomance Management Framework which includes Cascading to levels below

Monitoring and Evaluation	Reporting.			Section 56/7
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Priority area	Forum			
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
Enhance Integovernmental relations within the district through effective IGR Foras	Coordination of Forums	4 Forums per Sector	Identify Forums to sit	Sitting of Identified Forums per quarter

Priority area	Communication and marketing			
Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
To enhance communication with stakeholders and uphold municipal identity and image internally and externally.	Communication, Branding and Marketing of the district	Communication Strategy and Marketing and Branding Manual	Identify programmes for implementation as per Communication, Marketing and Branding Manual	Review and implementation of the communication Branding and marketing strategy

Priority area	Municipal Support

Measurable objectives	Strategies	Baseline	KPI	2016/2017 IDP Review
Provide coordinated support to Local Municipalities	Coordination of municipal support	Uncoordinated Municipal support	Identify programmes of support to LMs	Implementation of identified municipal support programmes

2016-2017 CHDM EQUITABLE SHARE TO FUND IDP PROJECTS

Department	2nd Adjustment Budget	Draft Budget 2016/17	Increase/ Decrease
COMMUNITY SERVICES	19,900,000	15,790,000	-21%
CORPORATE SERVICES	18,021,548	18,000,000	0%
IPED	50,957,734	48,400,000	-5%
MUNICIPAL MANAGER	7,421,000	5,750,000	-23%
BUDGET & TREASURY	-	2,000,000	100%
TECHNICAL SERVICES	2,354,533	2,000,000	-15%
Grand Total	120,759,321.00	91,940,000.00	-24%

SECTOR DEPARTMENTS PROJECTS 2016-2017

Department of Human Settlements: High Impact Projects 2016/17						
MUNICIPALITY	WARD NO.	PROJECT NAME	UNITS	BUDGET	CONTRACTOR	STATUS
Tsolwana	3	Thornhill 1500	1500	R 214 964 095,34	New Creations	Turnkey contractor is on site
Inxuba Yethemba	8	Middleburg Lusaka 595 (320 units)	320	R 52 729 516,01	SC Contractors	Turnkey contractor is on site
Engcobo	10	All Saints 700 rural	700	R 106 024 303,00	Kontinental	Turnkey contractor is on site
Engcobo	12	Inkwenkwezi 300 rural	300	R 45 438 987,00	Kontinental	

Engcobo	17	Nkondlo 500	500	R 58 094 400,00	Zingwazi Contractors	Turnkey contractor is on site
Engcobo	9	Goboti 300	300	R 34 856 640,00	Zingwazi Contractors	Turnkey contractor is on site
Lukhanji	21	Nomzamo 559 (461)	461	R 79 001 967,26	Jade Africa	Turnkey contractor is on site
	1	Lessynton 752 rural	752	R 87 746 228,00	7 Sirs Group	Turnkey contractor is on site
	21	Lukhanji Military Veterans 200	200	R 44 949 856,71	7 Sirs Group	Turnkey contractor is on site
Sakhisizwe	1,3&6	Cala Ward 4 (1,3&6)- 2662(1393 units) rural	1393	R 192 456 880,00	Mahiri	Turnkey contractor is on site
	8&9	Cala Ward 2(8&9) - 2693 (1409) rural	1409	R 151 118 291,72	Quantum Leap	Turnkey contractor is on site

	1,3&6	Cala Ward 4(1,3&6) - 2662(1269 units) rural phase 2- CRO's	1269	R 194 756 754,28	Mosegedi & Associates	CRO is recently contracted and to establish site
	8&9	Cala Ward 2(8&9) - 2693 (1284) rural phase 2-CRO's	1284	R 216 764 446,00	Vukani Construction	CRO is busy with beneficiary Admin &site establishment
Intsika Yethu	1	Chris Hani Heritage 1000 (511 units) rural	511	R 66 712 865,46	Kentha	Turnkey contractor is on site
	10	Vuyisile Mini 1000(500) rural	500	R 65 311 369,35	Kentha	Turnkey contractor is on site
	20	Lubisi 1000 rural_CRO	1000	R 151 289 000,89	Lima	CRO is busy with beneficiary Admin and to commence in Jan 2016
	1	Chris Hani Heritage 1000 (489 units) rural	489	R 82 552 814,67	Vukani Construction	CRO has established & recently started on site

		phase 2-CRO's				
	10	Vuyisile Mini 1000(500) rural Phase 2-CRO	500	R 75 717 283,32	Ingqayi/Mvelaphande JV	CRO is recently contracted and to establish site
	3	Ntsongeni 1000 (130 units)	130	R 17 254 497,00	7 Sirs Group	Turnkey contractor is on site
Emalahleni	9	Swartwater 1000 rural_CRO	1000	R 151 257 766,55	Mosegedi & Associates	CRO is busy with beneficiary Admin

Planning and Services						
PROJECT NAME	MUNICIPALITY	WARD	SITES	UNITS	BUDGET	PROGRESS
Tarkastad 61 (Middle income)	Tsolwana	4	0	0	R 200 000	Procurement of contractor for internal services by Tsolwana Municipality
New Rathwick 3000	Lukhanji	24	0	0	R 700 000	Planning (EIA process)

Indwe Westgate (FLISP)	Emalahleni	15	0	0	R 0-00	Municipality is busy compiling submission for approval as Developer with their implementing Agent.
<i>Engcobo Ext 11-1854</i>	Engcobo	11	0	0	R 2 200 000	Procurement of 04 contractors (01 infrastructure &3 Top structures (BEC)
<i>Nomzamo 559 (Jade Africa)</i>	Lukhanji	21	0	150	R 6 102 460	Construction (Services and Top Structures)
<i>Middleburg Lusaka 595 (SC Contractors)</i>	Inxuba Yethemba	8	0	150	R 6 000 000	Construction (Top Structures and services)
Elliot Old Location 1000	Sakhisizwe	1	0	0	R 425 000	Planning (Land issues)
<i>Sinako</i>	Emalahleni	11&13	0	0	R 0	Procurement of Turnkey

Zwelethemba 289						Contractor (BEC)
<i>Enyanisweni 431 (157 units)</i>	Intsika Yethu	14	0	0	R 0	Municipality to implement Roads&Storm Water and busy with submission
<i>Joe Slovo 608 (169 units)</i>	Intsika Yethu	14	0	0	R 0	
Sada/Wooden/Zink 1000	Lukhanji	5	0	0	R 750 000	Planning (Subsidy Administration)
Meadrose 493	Inxuba Yethemba	7	0	0	R 100 000	Pre-planning-bulk limitations
Polar Park 143	Lukhanji	1			R 525 000	Planning (Subsidy Administration)

Top Structure Construction						
PROJECT NAME		MUNICIPALITY	SITES	UNITS	BUDGET	PROGRESS
<i>Molteno Airstrip 1127 (500)</i>	Inkwanca	4	0	50	R 2 000 000	Construction (Top Structures) by 16 Emerging contractors.
<i>Molteno Airstrip 1127 (627)</i>	Inkwanca	4	0	0	R 500 000	Procurement (SCM)
<i>Molteno Nomonde 136 (70 units)</i>	Inkwanca	4	0	0	R 750 000	Procurement (SCM)
<i>Mavuya phase 1&2 462</i>	Emalahleni	15	0	0	R 0	On Hold and affected by demands to use local clay brick manufacture by local CO-OP.
<i>Calal Elliot - Ext 13&14 (1289)</i>	Sakhisiszwe	4&1	0	0	R 900 000	Construction (Emerging Contractor) 26 Emerging Contractors JV's

<i>Cala Elliot - Ext 15 (1289)</i>	Sakhisizwe	4&1	0	0	R 750 000	Construction (Emerging Contractor) 26 Emerging Contractors JV's
<i>Cala Elliot 514 - 372</i>	Sakhisizwe	4&1	0	0	R 120 000	Contracting of I.Agent. 15 Emerging contractors appointed &Contracted.
<i>Engcobo Ext 11- 1854</i>	Engcobo	11	0	0	R 2 200 000	Procurement of 04 contractors (01 infrastructure &3 Top structures (BEC)
<i>Middleburg Lusaka 595 (SC Contractors)</i>	Inxuba Yethemba	8	0	150	R 6 000 000	Construction (Top Structures and services)
<i>Sinako Zwelethemba 289</i>	Emalahleni	11&13	0	0	R 0	Procurement of Turnkey Contractor (BEC)
<i>Enyanisweni 431 (157 units)</i>	Intsika Yethu	14	0	0	R 0	Procurement of contractor

						(BEC)
<i>Joe Slovo 608 (169 units)</i>	Intsika Yethu	14	0	0	R 0	Procurement of contractor (BEC)
<i>Nomzamo 559 (Jade Africa)</i>	Lukhanji	21	0	150	R 6 102 460	Construction (Services and Top Structures)
<i>Zola 225</i>	Lukhanji	27	0	0	R 200 000	Contractor terminated and on reinstatement process
<i>Xuma 126</i>	Lukhanji	27	0	0	R 220 000	
<i>Toisekraal 364</i>	Lukhanji	27	0	0	R 350 000	
<i>Lesseyton 752 rural (7 Sirs Group)</i>	Lukhanji	27	5	20	R 3 300 000	Contractor recently contracted and on site
<i>Vuyisile Mini 1000 (Kentha-500 and Ingqayi 500)</i>	Intsika Yethu	10	16	59	R 4 280 000	Turnkey contractor is on site
<i>Chris Hani Heritage 1000 (Kentha -511 & Vukani-489)</i>	Intsika Yethu	1	25	75	R 7 800 000	Turnkey contractor is on site
<i>Ntsongeni 130</i>	Intsika Yethu	8	0	5	R 1 250 000	Contractor

<i>rural (7 Sirs Group)</i>						recently contracted and on site
<i>Cofimvaba 170 (Rural Voucher)</i>	Ntsika Yethu	3,5,8,10,11,13	0	0	R 400 000	Procurement of contractors by NURCHA
<i>Lubisi 1000 (Lima Developments)</i>	Intsika Yethu	20	0	0	R 2 140 000	CRO is on site busy with beneficiary Administration before commencement. Project is being implemented through ePHP process
<i>Rosemead 220 Rural</i>	Inxuba Yethemba	29	0	0	R 0	Feasibility-land issues
<i>Mortimer and Fish river 60</i>	Inxuba Yethemba	6&3	0	0	R 250 000	Feasibility-Land challenges
<i>Mntuntloni 1500 rural</i>	Engcobo	12	0	0	R 0	Procurement of Turnkey contractor (BEC)
<i>Inkwenkwezi 300 rural (Kontinental)</i>	Engcobo	12	24	46	R 3 600 000	Construction (Top Structures)

<i>Nkondlo500 rural (Zingwazi)</i>	Engcobo	17	15	50	R 3 300 000	Construction (Top Structures)
<i>Deberha 706</i>	Engcobo	6	0	0	R 1 500 000	Procurement of Contractor.
<i>Goboti 300 rural (Zingwazi)</i>	Engcobo	9	20	40	R 2 700 000	Turn Key contractor on site
<i>All Saints 700 rural (Kontinental)</i>	Engcobo	10	75	125	R 5 800 000	Turn Key contractors on site
<i>Cefane Hook 350 rural</i>	Engcobo	11	0	0	R 0	Procurement (BEC)
<i>Zwartwater 1000</i>	Emalahleni	9	0	0	R 0	CRO is on site and project is implemented through ePHP
<i>Cala Ward 2- 2693 (Quantum Leap- 1409 & Vukani - 1284)</i>	Sakhisizwe	2	0	20	R 4 400 000	2 Turnkey contractor's 2 CRO's are on site
<i>Cala Ward 4- 2662 (Mahiri 1393 & Mosegedi-1269)</i>	Sakhisizwe	4	0	20	R 4 250 000	
<i>Zola Village700</i>	Tsolwana	1	0	0	R 350 000	Procurement of Turnkey

						contractor (BEC)
<i>Thornhill village 1500 (New Creations)</i>	Tsolwala	3	85	50	R 5 500 000	Construction (Top Structures)
<i>Rocklands village 200 (Excell/Premo JV)</i>	Tsolwana	2	10	20	R 2 400 000	Turn Key contractor on site.
<i>Bacles's Farm village 300</i>	Tsolwana	3	0	0	R 440 000	Procurement of Turnkey contractor & previously non responsive
<i>Tendergate village 1000</i>	Tsolwana	3	0	0	R 750 000	
<i>Khayalethu village 100</i>	Tsolwana	2	0	0	R 650 000	
<i>Thembalethu village 100 (Excell/Premo JV)</i>	Tsolwana	3	0	30	R 1 300 000	Turn Key on site
<i>Springroove village 200</i>	Tsolwana	3	0	0	R 750 000	Procurement of Turnkey contractor & previously non responsive.
<i>Kwezi village 200</i>	Tsolwana	3	0	0	R 830 000	
<i>Phakamisa village 300 (Excell JV Premo)</i>	Tsolwana	1	10	30	R 2 300 000	Turn Key contractors on site

<i>Mitford Village 350 (Excell JV Premo)</i>	Tsolwana	1	10	30	R 2 850 000	Turn Key contractors on site
<i>Chris Hani Destitutes 800</i>	All over CHDM	All	0	0	R 2 500 000	Procurement and tender closed on 02 Dec 2015

Emergency Housing Assistance					
PROJECT NAME	WARD	SITES	UNITS	BUDGET	PROGRESS
<i>Chris Hani Emergency Units 300</i>	All	0	0	R 3 000 000	Chris Hani D.M is busy with procurement of local Emerging

					Contractors
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Proposed New Projects under Application for Development						
PROJECT	MUNICIPALITY	WARD	17/18	18/19	19/20	STATUS
Whittle Sea 1000	Lukhanji	17	✓	✓	✓	Projects will be on hold for a period of a year due to current commitment of R 3.2 Billion worth projects over than allocation expected and National in next
Ekuphumleni 250 ISU	Lukhanji	16	✓			
Tylden 300 rural	Lukhanji	1	✓	✓	✓	
Ezibeleni 500	Lukhanji	8	✓	✓		
Ezibeleni ISUP 200	Lukhanji	8	✓			
Unifound 750	Lukhanji	21	✓	✓	✓	
Ilinge ISUP 300	Lukhanji	1	✓	✓		

Zola 700	Lukhanji	27	✓	✓		MTEF within Chris Hani District.
Zingqutu 440 rural	Lukhanji	26	✓	✓		
Machibini Village 1500	Lukhanji	3	✓	✓		Department has discontinued approving new projects for a period of one year to deal with current commitments in projects already in the system for implementation in MTEF.
Gwatyu Farms (Thembani&Nonibe)	Lukhanji	1	✓	✓		
Mchewula Village 400	Lukhanji	14	✓			
Yonda Village 300	Lukhanji	12	✓			
Kamastone Village 600	Lukhanji	14	✓	✓		Projects will be planned for implementation in Multi Years as depending on budget and their readiness for implementation.
Cacadu Extension 3&4 Mixed dev. 800 (Urban)	Emalahleni	5		✓	✓	Projects will be on hold for a period of a year

Dodorecht (Mixed Development) 800 (Urban)	Emalahleni	11		✓	✓	<p>due to current commitment of R 3.2 Billion worth projects over than allocation expected and National in next MTEF within Chris Hani District.</p> <p>Department has discontinued approving new projects for a period of one year to deal with current commitments in projects already in the system for implementation in MTEF.</p> <p>Projects will be planned for implementation in Multi Years as depending on budget and</p>
Indwe 800 (Urban)	Emalahleni	16		✓	✓	
Phola Park and Ekuphuleni 854 Rural	Sakhisizwe	1		✓	✓	
Ekuphumleni 500 (Urban)	Intsika Yethu	14		✓	✓	
Mandela View 130 (Urban)	Intsika Yethu	14		✓	✓	
Ntsongeni Ext 1000-870 units(Rural)	Intsika Yethu	14		✓	✓	
Enyanisweni Ext 500(Urban)	Intsika Yethu	14		✓	✓	

						their readiness for implementation. Urban projects don't have bulk infrastructure and Municipalities were advised to engage D.M for planning process through MIG.
Moshi 1500 rural ePHP	Engcobo	16	✓	✓	✓	Projects on approval process within Department
Silindini and Qebe 500- Anti Poverty Sites	Engcobo	13	✓	✓	✓	
Kwa Hala Anti Porverty Sites 1000	Intsika Yethu	19	✓	✓	✓	

DSRAC PROJECTS 2016-2017

PROGRAMME	LOCATION/AREA	BUDGET
District Choral Championships, a build-up programme towards the Provincial O.R. Thambo Festival	Queenstown Enoch Mgijima L.M.	R123 000

Chris Hani Jazz Festival, a Provincial jazz festival that will involve all the districts	Queenstown	R1 000 000.00
Ubuntu Arts in the Park Visual Arts and Crafts Fair, a selling exhibition for visual arts and crafts	Queenstown	R118 000
Celebrate District Mandela Day birthday	Sakhisizwe LM	
District Build Up: Heritage Day Celebrations	Lukhanji LM @ Whittlee sea [Abathembu Royal Council place	R60 000
Supports Celebration of 60 Yrs of ANCWL Madabane Memorial: profiles of heroes & heroines @ Hexagon Square	Lukhanji LM @ Queenstown	
Support to Q/F Museum	Queenstown	R 150'000
Support to Sterkstroom Museum	Sterkstroom	R105'000
Support to Great Fish River Museum	Cradock	R 140'000

Host World Book Day	Barrington Mndi Library Ezibeleni Queenstown	R 189'000
Hosting of District Build-Up National Book Week	Cofimvaba	R 186'000
Hosting SA Library Week	Dordrecht	R 134'500
Operational support to Lukhanji Lm	Libraries within Lukhanji	R 4'150 000
Operational support to Egcobo Lm	Libraries within Egcobo	R 588'000
Operational Support to Sakhisizwe Lm	Libraries within Sakhisizwe	R 369'000
Operational Support to Inkwanca Lm	Libraries within Inkwanca	R 534'000
<ul style="list-style-type: none"> • District League Basketball • Heritage Games • District Championships Golf Day 	Queenstown Dordrecht Cradock	R 40'000 R 50'000 R 160'000

<ul style="list-style-type: none"> • District League Cricket • Eyase Kasi Road Running 	Queenstown	R 70'000
<ul style="list-style-type: none"> • Women in Recreation Festival 	Middelburg	R 80'000
<ul style="list-style-type: none"> • Children's Day Festival • Recreation Explosion Festival 	Hofmeyer Cofimvaba	R20'000 R123'274
<ul style="list-style-type: none"> • Community Pre-Schools Athletic's 	Queenstown	R 40'000
<ul style="list-style-type: none"> • Hosting Mandela Marathon • Hosting Geneva Scholtz Memorial Women in Sport • 	Tsomo Middleburg	R60' 000 R90'000
<ul style="list-style-type: none"> • Co-ordinate Netball and Football Leagues • Clarence Mlokohti Top 8 Football Tournament • Hosting Bonkolo Marathon • Co-ordinate Chris Hani Teams in the Border Cricket League 	All LM'S Tsomo Queenstown All LM'S	R80'000 R100'000 R200'000 R45'000
<ul style="list-style-type: none"> • Support participants to attend Provincial Indigenous Games • Co-ordinate Indigenous Games Cluster Festival between Chris Hani and Amathole 	Cradock	R 145'000 R120'000

<ul style="list-style-type: none"> • Co-ordinate Recreation Hub Festivals 	Middelburg,Hofmeyer,Mlungisi,Mnxe and Llinge	R45'000
<ul style="list-style-type: none"> • Purchase Sport Equipment Soccer, Rugby, Volley Ball, Cricket, Chess, Hockey, Table Tennis, Netball, Medals and Athletics • Coordinate Schools Leagues • Coordinate Schools for Summer Games 	Schools to be identified from the tournament	R228'000
	Queenstown Queenstown	R161'000

SANRAL PROJECTS

Project Name	Municipality	Sites	Scope	Budget
Expansion Of National Road Network	Inxuba Yethemba	Middleburg	546 kms	
Capital	Engcobo	R56 East of Elliot All Saints to Baziya Phase 1	<ul style="list-style-type: none"> -New vertical alignment -Widening of road with passing lanes where required -Construct river bridges, major culverts and cattle/agricultural underpasses -Construct service roads and 	R400 million

		Phase 2	<p>walkways</p> <ul style="list-style-type: none"> -Formalize accesses and intersections <p>New vertical alignment</p> <ul style="list-style-type: none"> -Widening of road with passing lanes where required <ul style="list-style-type: none"> -Construct river bridges, major culverts and cattle/agricultural underpasses <ul style="list-style-type: none"> -Construct service roads and walkways <ul style="list-style-type: none"> -Formalize accesses and intersections 	R350 million
	Intsika Yethu/ Engcobo	Upgrade between Qumanco River and All Saints Phase 1	<ul style="list-style-type: none"> –Upgrading of vertical alignment and widening of road –Construct 2x bridges and major culverts –Improve intersections where necessary –Construct service road inside township to facilitate closure of 	R209 million

		Phase 2	<p>unsafe accesses</p> <ul style="list-style-type: none"> -Upgrading of vertical alignment and widening of road –Construct 2 x bridge and major culverts –Improve intersections where necessary –Dualing of road inside Engcobo and upgrade Stanford Street –Construct service roads to facilitate closure of unsafe accesses 	R250 million
	Intsika Yethu	Upgrade from Upper Tsojana to Qumanco River	<ul style="list-style-type: none"> -Upgrading of vertical and horizontal alignment and widening of road –Construct 1x bridge and major culverts –Improve intersections where necessary –Construct service/access roads to facilitate closure of unsafe accesses –Construct underpasses where 	R450 million

			required	
	Intsika Yethu	Reseal N6/R61 to Upper Tsojana	<ul style="list-style-type: none"> –Repair sections in distress –Crack sealing and selected texture treatment –Reseal with 13mm + 6.7mm stone 	R60 million
	Tsolwana/Lukhanji	Upgrade of road between Tarkastad and Queenstown Phase 1 Phase 2	<ul style="list-style-type: none"> –Upgrading and widening of road –Construct one bridge –Improve drainage –Community access road –Improve intersections where necessary –Upgrading and widening of road –Construct two bridges and major culverts –Construct roundabout in Queenstown –Construct access road linking R61 	R163 million R206 million

			with R67 –Improve intersections where necessary	
	Inxuba Yethemba/Tsolwana	Rehabilitate road between Cradock and Tarkastad Phase 1 Phase 2	–Base improvement and widening of road –Lengthen culverts –Improve intersections where necessary –Resurface road –Cape Seal –Basement improvement and widening of road –Lengthen culverts –Improve intersections where necessary –Resurface road –Cape Seal –Asphalt through Tarkastad town	R130 million R200 million
	Inxuba Yethemba	Upgrade from Middelburg to Carlton Heights	–Upgrading and widening of road with climbing lanes –Upgrade two intersections and farm accesses –Construct major culverts and cattle	R412 million

			<p>underpasses</p> <ul style="list-style-type: none"> –Construct river bridges –Rehabilitate Meintjies Street after the construction of major bridge near town 	
	Inxuba Yethemba	Upgrading of road from Cradock and Knutsford	<ul style="list-style-type: none"> –Upgrading and widening of road with climbing lanes –Upgrade two intersections and farm accesses –Construct underpass at 24.36km –Special maintenance to Church Street and surfacing of intersection of Albert and Adderley Streets –Upgrading of street lighting from the rail over road bridge to 100m past Caltex service station. 	R180 million
	Tsolwana	Upgrading of road from Riet River to Tarka Bridge	<ul style="list-style-type: none"> –Improve vertical and horizontal alignment –Widening of road with climbing lanes –Drainage structures and installation of prefabricated culverts, in-situ culverts and in-situ irrigation canal 	R401 million

	Lukhanji	Reseal from Queenstown to Jamestown	<ul style="list-style-type: none"> –Repair sections in distress –Crack sealing and selected texture treatment –Reseal with 19mm + 6.7mm stone 	R120 million
	Inkwanca	Rehabilitation of section from Steynsberg to Molteno	<ul style="list-style-type: none"> –Rehabilitation of road –Place new base course –Improve drainage –Erect new guardrails and road signs –Improve intersections where necessary 	R160 million
	Inkwanca	Rehabilitation of section from Molteno to N6	<ul style="list-style-type: none"> –Rehabilitation of road –Place new base course –Improve drainage –Erect new guardrails and road signs –Improve intersections where necessary 	R150 million
	Emalahleni	Rehabilitation of section from N6 to Dordrecht	<ul style="list-style-type: none"> –Rehabilitation of road –Place new base course 	R150 million

			<ul style="list-style-type: none"> –Improve drainage –Erect new guardrails and road signs –Improve intersections where necessary 	
	Emalahleni	Rehabilitation of section from Dordrecht to Indwe	<ul style="list-style-type: none"> –Rehabilitation of road –Place new base course –Improve drainage –Erect new guardrails and road signs –Improve intersections where necessary 	R200 million
	Emalahleni	Rehabilitation of section from Indwe to Maclear	<ul style="list-style-type: none"> –Rehabilitation of road –Place new base course –Improve drainage –Erect new guardrails and road signs –Improve intersections where necessary –Engage SMMEs from Grade 1 to 	R635 million

			Grade 6 or Grade 7	
	Lukhanji	Upgrade between Swart Kei River and Queenstown	<ul style="list-style-type: none"> –Widening of road towards Queenstown –New vertical alignment –New pavement layers –Improve safety aspects near Queenstown –Reseal surface and erect new signs. 	R350 million
	Lukhanji	Special Maintenance between Whittlesea and Swart Kei River	<ul style="list-style-type: none"> –Widening of road –Mill out and replace bad sections –Improve drainage where required –Improve safety aspects near Whittlesea –Reseal surface –Erect new signs 	R280 million
	Lukhanji	Special Maintenance between Seymour and Whittlesea	<ul style="list-style-type: none"> –Mill out and replace bad sections –Improve drainage where required –Reseal surface 	R180 million

			-Erect new signs	
Assistance To Province	Intsika Yethu	Sabalele Upgrade	<ul style="list-style-type: none"> -Improve vertical and horizontal alignment -Construct a 6.8 m single carriageway -Provide calming measures at identified spots -Turning lanes at intersection with R61 at St Marks -Apply 19 mm Cape Seal 	R170 million

ESKOM PROJECTS 2016-17

Municipality	Project Name	Category	Y-E Plan CAPEX	Y-E Plan Connections
Emalahleni	Emalahleni Small Holdings 16/17	Household	R3,000,000.00	50
	Emalahleni Small Holdings 16/17 Link Line	Infrastructure	R6,250,000.00	
	Emalahleni 16/17 Extensions	Household	R2,695,348.00	117

	Emalahleni Infills	Infills	R1,350,000.00	100
	Emalahleni 17/18 Exts	Pre-Engineering	R396,005.00	
	Farm Dweller	FWHs	R73,684.00	7
Total Emalahleni			R13,765,037.00	274
Engcobo	Engcobo Rural Exts 16/17	Household	R9,750,000.00	500
	Engcobo Rural Exts 16/17 Link Line	Infrastructure	R3,750,000.00	
	Xonya Electrification 16/17	Household	R3,363,000.00	177
	Engcobo Infills	Infills	R1,200,000.00	100
	Engcobo Ward Exts	Pre-Engineering	R250,000.00	
Total Engcobo			R18,313,000.00	682
Municipality	Project Name	Category	Y-E Plan CAPEX	Y-E Plan Connections

Intsika Yethu	Cofimvaba Extension 16/17	Household	R1,900,000.00	100
	Cofimvaba Exts 16/17 Link Line	Infrastructure	R2,500,000.00	
	Mcambalala-Bholotwa 2A 16/17	Household	R950,000.00	50
	Mcambalala-Bholotwa 2A 16/17 Link Line	Infrastructure	R1,750,000.00	
	Mcambalala-Bholotwa B 16/17	Household	R2,185,000.00	115
	Tsomo Rural Exts 16/17	Household	R10,830,000.00	570
	Tsomo Rural Exts 16/17 Link Line	Infrastructure	R3,750,000.00	
	Ngqamakhwe Substation Feeder Bay	Infrastructure	R2,000,000.00	
	Ngqamakhwe Substation Feeder Lines	Infrastructure	R5,500,000.00	
	Cofimvaba Infills	Infills	R2,052,000.00	171

	Intsika Yethu Exts & Projects	Pre-Engineering	R1,760,193.00	
Total Intsika Yethu			R35,177,193.00	1006
Municipality	Project Name	Category	Y-E Plan CAPEX	Y-E Plan Conn's
Lukanji	Gwatyu Farms	Household	R3,300,000.00	110
	Lukanji Infills	Infills	R312,500.00	25
	Gwatyu Farms & Lukanji Exts	Pre-Engineering	R328,728.00	
Total Lukanji			R3,941,228.00	135
Sakhisizwe	Sakhisizwe Small Holdings 16/17	Household	R2,700,000.00	60
	Sakhisizwe Small Holdings 16/17 Link Line	Infrastructure	R6,500,000.00	
	Sakhisizwe Infills	Infills	R1,404,000.00	117

	Sakhisizwe Extensions	Pre-Engineering	R1,186,351.00	
Total Sakhisizwe			R11,790,351.00	177
Tsolwana	Zola Housing Development	Household	R2,625,000.00	210
	Tsolwana Infills	Infrastructure	R397,105.00	31
	Tsolwana Ward Exts	Pre-Engineering	R394,123.00	
Total Tsolwana			R3,416,228.00	241
Total Chris Hani			R86,403,038.00	1833

CHDA 2016-2017 PROJECTS

Project Name	Municipality	Sites	Scope	Budget	Duration
Agriculture and Agro processing: Livestock Value Chain (Beef)			Jobs Fund Livestock Linkage Project in Implementation in partnership with Jobs Fund, Berlin Beef and Masisizane Fund, 1500 weaners will be placed in communities from	R 60 million	

			the beginning of April		
Agriculture and Agro processing: Dairy	Lukhanji	Queenstown	Business plan for cheese factory to be based in Queenidustria is at the final stages of development.		
Agriculture and Agro processing: Vegetables	Intsika Yethu	Qamata	In partnership with Potato SA 15 ha of Potatoes planted in Qamata and will be ready for harvest by end of March		
Agriculture and Agro processing: Fruit value chain			About 30 Ha of pomegranate has been planted at Mitrock, in partnership with POMEC Vineyard site expansion is in progress, an irrigation system has been installed in the expanded area. 1st Grapes harvested and sent to a Cellar in Cape		

			Town		
Agriculture and Agro processing: Grain and Fodder Value Chain			<p>Over 440 ha of maize have been planted in Cradock, and currently planting of Lurcene is in progress.</p> <p>Facility by Omnia for production inputs like fertilizer and chemicals have been approved.</p>	R4, 5 million	
Infrastructure and Mechanization Support	Intsika Yethu Inxuba Yethemba	Qamata Cradock	<p>Centre at Qamata received further upgrades and new implements bought</p> <p>Mechanization for Cradock was approved by rural development, and already about 10 tractors and implements have already been delivered on site and the buildings for storage and office</p>		

			are in final stages.		
Skills Development			<p>8 Students completed their studies from the initial intake</p> <p>22 new students placed in Universities this year.</p> <p>1 career expo has been done during the 1st quarter</p> <p>There will be 2 career expos to be held during the 3rd quarter</p> <p>175 Learners placed at our water schemes (partnership with Bigen Africa)</p>		
Investment Promotion	Lukhanji	Queendustria and Ezibeleni	Secured R22, 5 million from DTI Industrial Park Programme for the revitalisation of Queendustria and	R22, 5 million	

			Ezibeleni Industrial Park. Signed implementation Protocols with DTI, DBSA to guide management of the process.		
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CHAPTER 4

CHDM SPATIAL DEVELOPMENT FRAMEWORK

In accordance with the requirements of legislation governing municipal planning, the Chris Hani District Municipality (CHDM) reviewed its District Spatial Development Framework (SDF).

In line with the function of the District Municipality to co-ordinate development activities in the district, the District SDF should be taken as a guide to where planning and development initiatives could best be directed by public and private sector agencies seeking to invest in development initiatives in the district. Therefore, the SDF: -

- Identifies the key spatial development features (trends and dynamics) currently applicable in the Chris Hani District Municipality;
- Establishes clearly the objectives of the Chris Hani District Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;
- Identifies the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These focus on establishing a hierarchy of settlement and delineating Special Development Areas, which are: -
 - Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
 - Areas where priority spending is required (areas of special need).
- Sets out basic guidelines for a land use management system in Chris Hani District Municipality.

The main changes to the district SDF of 2010 are as follows: -

- Boundary changes as per the demarcation board are reflected;
- Revised Priority Spatial Issues identified on the basis of a new Analysis as well as the revision of the related Spatial Development Objectives and Strategies, in line with the current CHDM IDP
- A revision of the Development Nodes and Corridors as well as the identified Special Development Areas to align with the inputs of the review of the Regional Economic Development Strategy (REDS);
- The inclusion of information emanating from the Special Economic Zone report
- A consideration of the likely requirements related to the implementation of the Spatial Planning & Land Use Management, Act 16 of 2013 (SPLUMA)

3 A Development Perspective of Chris Hani District

The points below set out some of the most distinctive features of the Chris Hani District taken into consideration in the review of the SDF: -

- It is estimated that **the total population of the district in 2015 will reach about 813,473 people (approximately 216,600 households)**, with the highest population densities located in the former Ciskei and Transkei areas. This reflects a **reduction from previous estimates** (2001 and 2004) and suggests **that the district is experiencing a process of outward migration**.
- In essence, **the Chris Hani District may be defined as a largely land or primary production-based area**, where the most important elements of the district economy are derived from state investment and from the consumption and production patterns of the resident population itself.
- From a spatial development perspective, it is clear that **the dominant area for economic activity in the district is the Lukhanji municipal area**, where some 48% of the total Gross Domestic Product (GDP) of the district is produced. Within Lukhanji, Queenstown remains the main concentration of activity in the commercial, manufacturing, and services sectors.
- It is clear, too, that the **small towns in the district remain important as service centres** where the local populace can access retail goods and other services.
- Looking at economic development potential, the **Chris Hani Regional Economic Development Strategy (REDS) has endorsed 4 specific clusters (or sectors) for prioritisation** in the district, these being: (i) **The Agricultural, Agro-Processing and Forestry Sector**; (ii) **The Manufacturing, Construction and Mining Sector**; (iii) **Tourism & Hospitality Sector**; and (iv) **The Services, Retail and Logistics Sector**.
- The REDS process has emphasised, however, that **the sector that is perceived to present the greatest opportunity to build value, create job opportunities and improve economic development in the district is the broadly defined agricultural and forestry sector with its related value-adding activities**.
- The **REDS has provided the strategic basis for an Agro-Industrial approach to development in the district**, which has also **taken form in the conceptualisation of a district Special Economic Zone (SEZ)**.
- **The Chris Hani SEZ is proposed to have its Hub at the Queendustria industrial complex in Queenstown.**

4 Spatial Development Framework Proposals

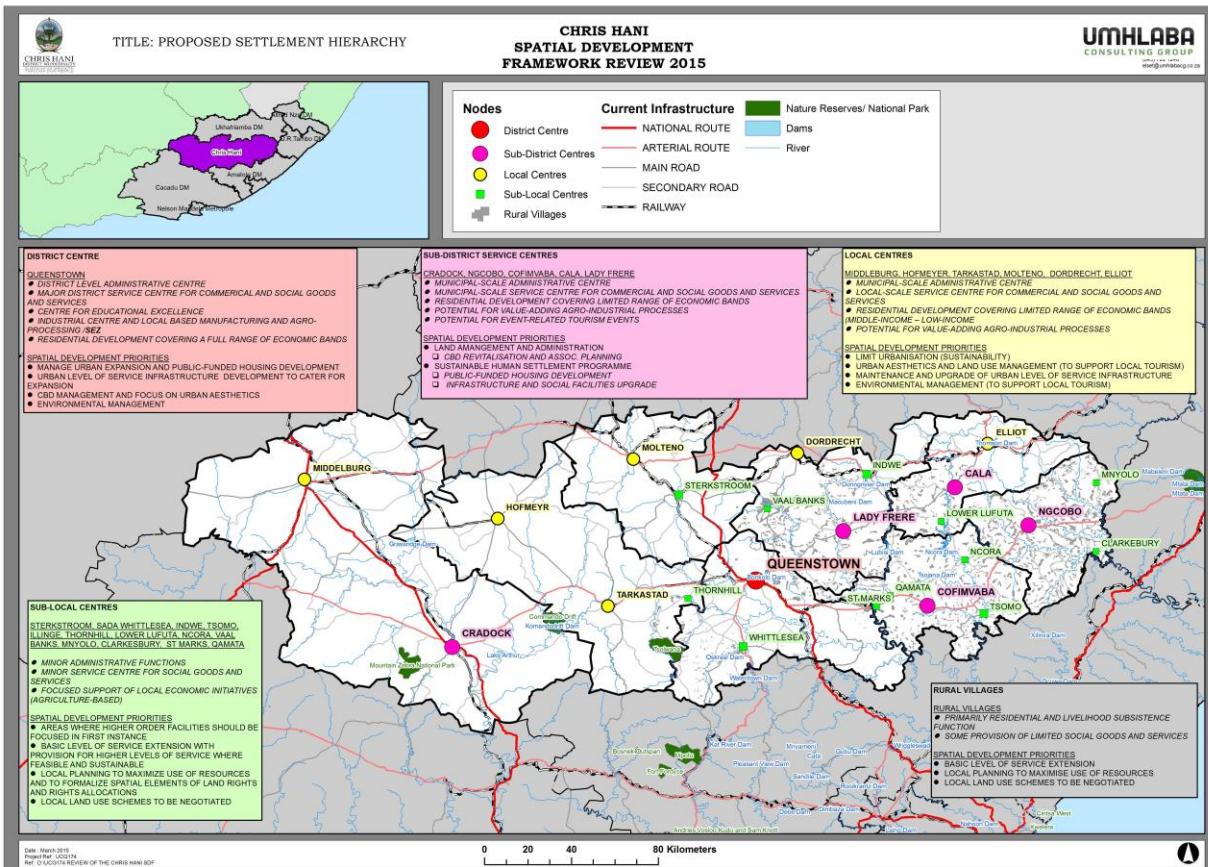
In recognition of the need to plan for the maximization of available human and natural resources within a context of achieving sustainability, the CHDM acknowledges that there is a need to focus limited public resources in areas of opportunity in order to achieve maximum impact. From a spatial planning perspective, this means certain structuring elements have been identified to guide future planning and expenditure. These structuring elements are clustered into four main components: -

- The district-scale Settlement Hierarchy;
- Development Corridors aligned with the REDS and the SEZ;
- Special Development Areas defined on the basis of specific development potential and/or development need; and
- Environmental Management Areas

4.1 District-Scale Settlement Hierarchy

The SDF Review has identified an amended hierarchy of settlements in order to guide the DM and LMs in the allocation of appropriate levels of investment in infrastructure and services and to be better able to implement appropriate land use management strategies.

It must be noted that the Hierarchy is defined from a district perspective and relates primarily to a consideration of both current status and function of a centre as well as its prospective future status. This takes into account the priority of Small-Town Regeneration, which forms part of the overall strategic approach of the REDS.

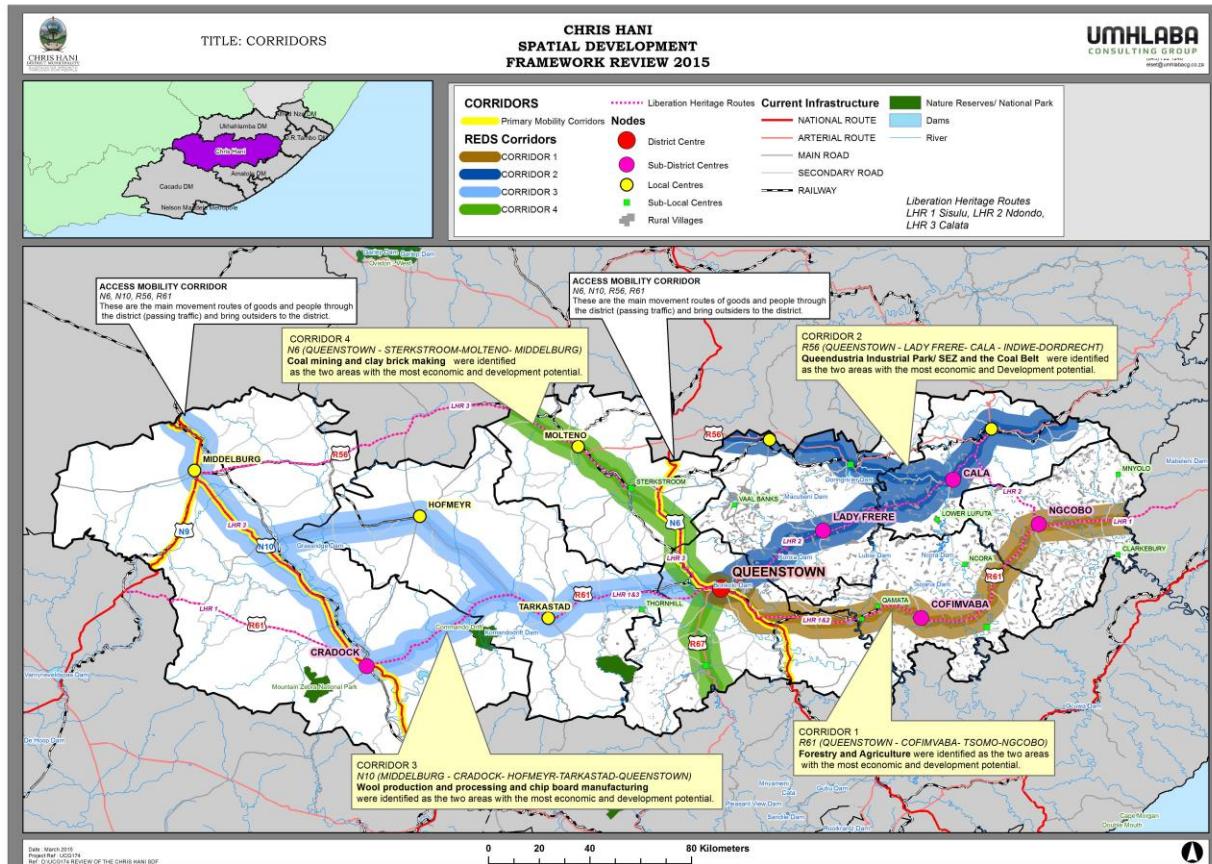


SETTLEMENTS			
Type	Location	Function of Settlement and associated typical land uses	Spatial Development Priorities
District Centre	Queenstown (Lukhanji LM)	<ul style="list-style-type: none"> • District-level Administrative centre • Major district service centre for commercial and social goods and services • Centre of educational excellence • Industrial centre for value-adding processes and local-based manufacturing (SEZ Hub) • Residential development covering full range of economic bands (High-income – Low-income) 	<ul style="list-style-type: none"> • Managed urban expansion and Public-funded Housing development • Urban level of service infrastructure development and related investment priorities (i.e. higher order level) to cater for expansion • Upgrade and maintenance of existing infrastructure • CBD Management and focus on Urban Aesthetics • Environmental Management (Game Reserve)
Sub-District Centres	Cradock (Inxuba Yethemba LM) Ngcobo (Engcobo LM) Cofimvaba (Intsika Yethu LM) Lady Frere (Emalahleni LM) Cala (Sakhisizwe LM)	<ul style="list-style-type: none"> • Municipal-scale Administrative Centre • Municipal-scale service centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle-income – Low-income) • Potential for value-adding agro-industrial processes • Potential for event-related tourism events 	<ul style="list-style-type: none"> • Land Management & Administration <ul style="list-style-type: none"> ○ CBD Revitalisation and associated planning • Sustainable Human Settlement Programme <ul style="list-style-type: none"> ○ Public-funded Housing Development ○ Urban level of service infrastructure & Social Facilities upgrade • Maintenance and upgrade of existing infrastructure
Local Centres	Middelburg (Inxuba Yethemba LM) Hofmeyer Tarkastad (Tsolwana LM) Molteno (Inkwanca LM) Elliot	<ul style="list-style-type: none"> • Municipal-scale Administrative Centre • Local-scale Service Centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle-income – Low-income) 	<ul style="list-style-type: none"> • Limit urbanization (sustainability) • Urban aesthetics and land use management (to support local tourism) • Maintenance and upgrade of urban level of service infrastructure • Environmental management (to

SETTLEMENTS			
Type	Location	Function of Settlement and associated typical land uses	Spatial Development Priorities
	(Sakhisizwe LM) Dordrecht (Emalahleni LM)	income) <ul style="list-style-type: none">• Potential for value-adding agro-industrial processes	support local tourism)
Sub-Local Centres	Sterkstroom (Inkwanca LM) Sada/Whittlesea (Lukhanji LM) Indwe Vaal Banks (Emalahleni LM) Tsomo (Intsika Yethu LM) Ilinge (Lukhanji LM) Thornhill (Tsolwana LM) Lower Lufuta (Sakhisizwe LM) Mnyolo Clarkebury (Engcobo LM) Ncora Qamata St Marks (Intsika Yethu LM)	<ul style="list-style-type: none">• Minor Administrative Functions• Minor service centre for social goods and services• Focused support of local economic initiatives – agriculture-based	<ul style="list-style-type: none">• Areas where higher order facilities should be focused in first instance• Maintenance and upgrade of existing infrastructure• Basic level of service extension with provision for higher levels of service where feasible and sustainable• Local planning to maximize use of resources and to formalize spatial elements of land rights and rights allocations• Local land use schemes to be negotiated
Rural Settlements	Rural settlements across the district	<ul style="list-style-type: none">• Primarily residential and livelihood subsistence function• Some provision of limited social goods and services	<ul style="list-style-type: none">• Basic level of service extension• Local planning to maximize use of resources• Local land use schemes to be negotiated

4.2 District Scale Development Corridors

In line with the CHDM REDS and SEZ Key Strategies for economic development, **four major corridors have been identified in Chris Hani DM**. These corridors form the main “arteries” of the district and connect areas of economic development potential with the key urban settlement centres identified in the District Settlement Hierarchy. They also, for the main part, overlap with the district’s main Tourism Routes.



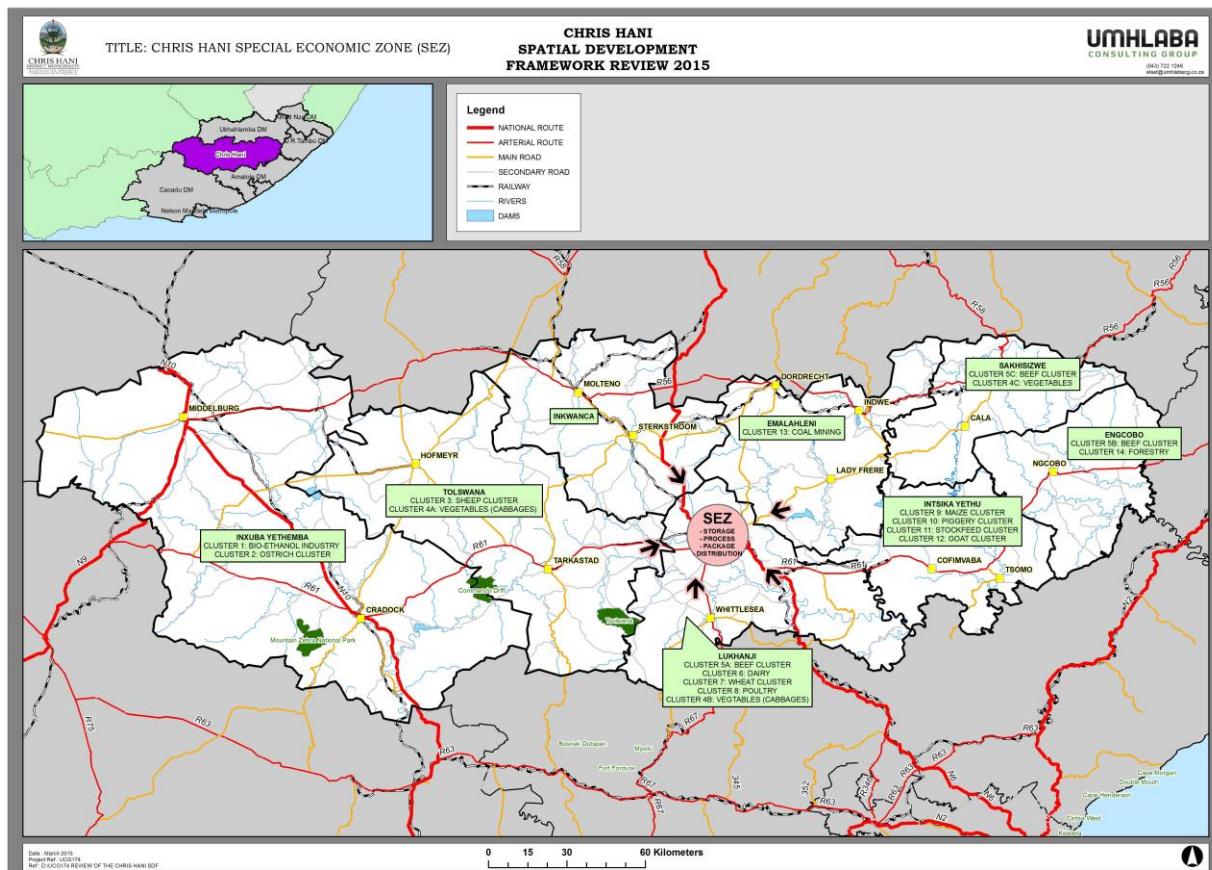
Corridor	Description	Key Opportunities (REDS) associated with Corridor
CORRIDOR 1	The R61 from Queenstown through Cofimvaba, Ngcobo to Mthatha	Forestry and agriculture were identified as the two sectors with most economic development potential along this corridor.
CORRIDOR 2	The R56 from Queenstown through Lady Frere and Cala to Elliot	Coal mining and clay-brick making were identified as the two sectors/activities with most economic development potential.
CORRIDOR 3	The N10 from Middelburg through Cradock to Alliwal North	Wool production and wool processing; and chip-board manufacturing were identified as the two activities with most economic development potential
CORRIDOR 4	The N6 from East London through Queenstown to	The Queendustria SEZ at Queenstown and the Coal belt were identified as two areas with most economic

Corridor	Description	Key Opportunities (REDS) associated with Corridor
	Aliwal North	potential in relation to this corridor

It is noted that the REDS specifically links the identification of the above corridors with the notion of targeting the towns (main nodes and smaller urban settlements) linked by these routes for what is termed “regeneration”

In addition to the notion of targeting the towns along the corridors, these corridors should also be seen in the light of the opportunities that they potentially bring to areas that they pass through. As such, the SDF highlights particular routes that relate to Access and Mobility (movement of people and goods) to, from and within the District as well as the main corridors identified by REDS and related to specific development potentials.

In this regard, the corridors represent key infrastructure that may strengthen and enhance potential value chains as these might relate to a specific cluster of activities (e.g. mining cluster, agricultural cluster, forestry cluster etc.). They thus form a fundamental structural platform for the development of the Chris Hani SEZ, too.

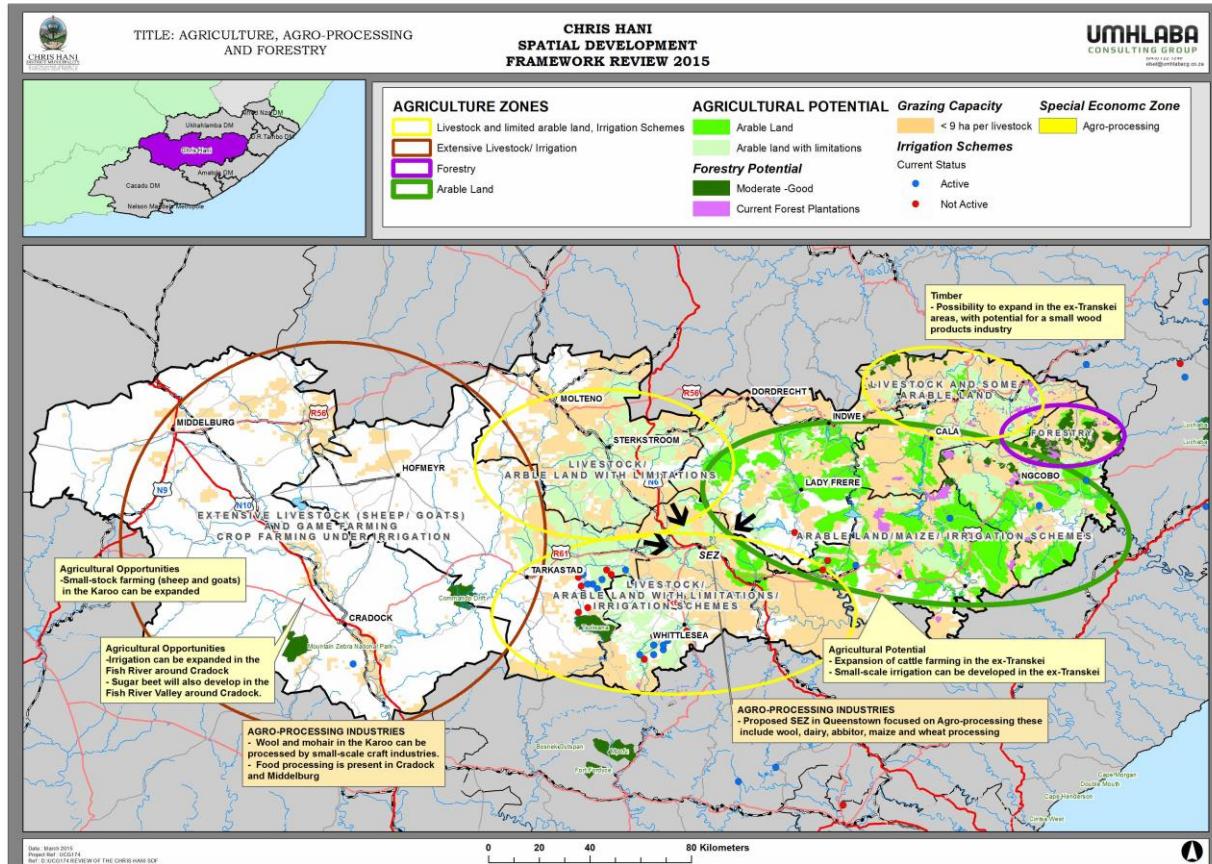


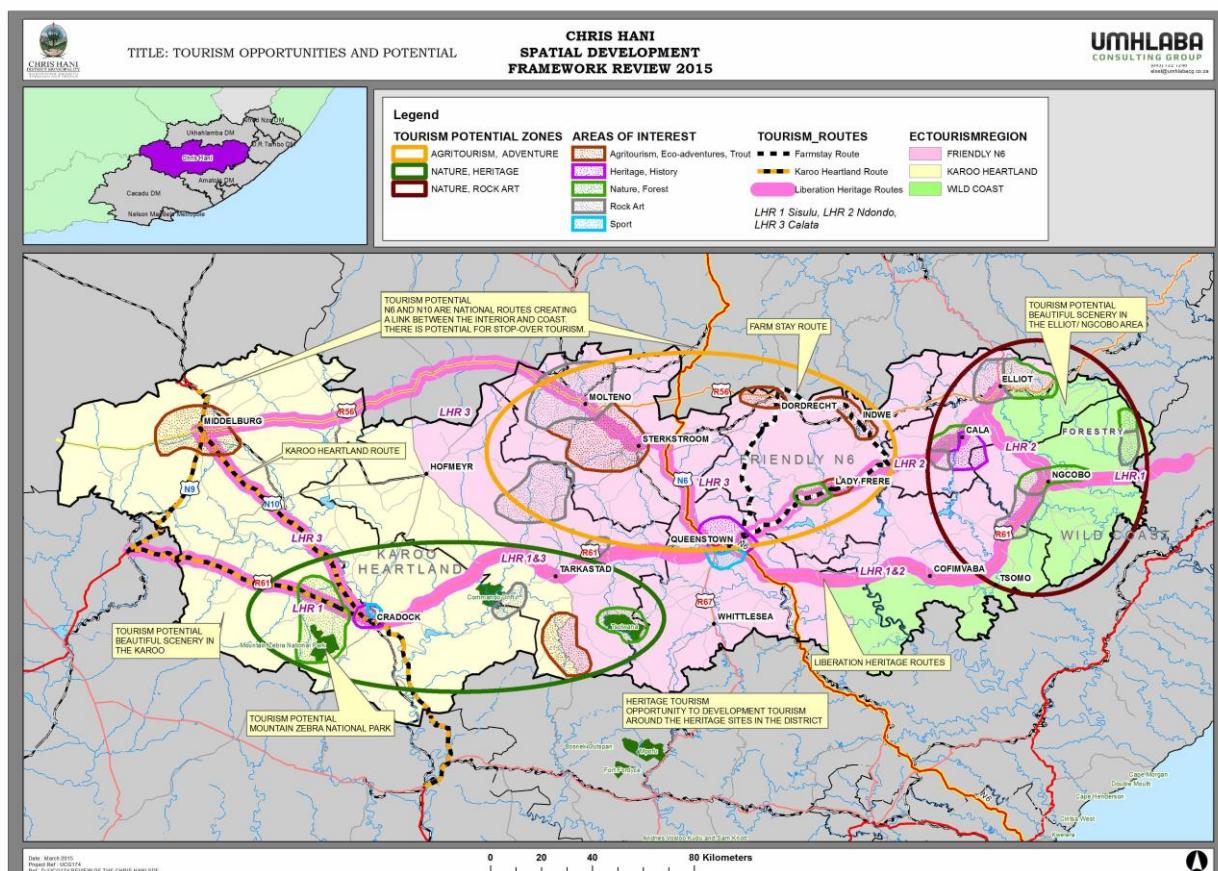
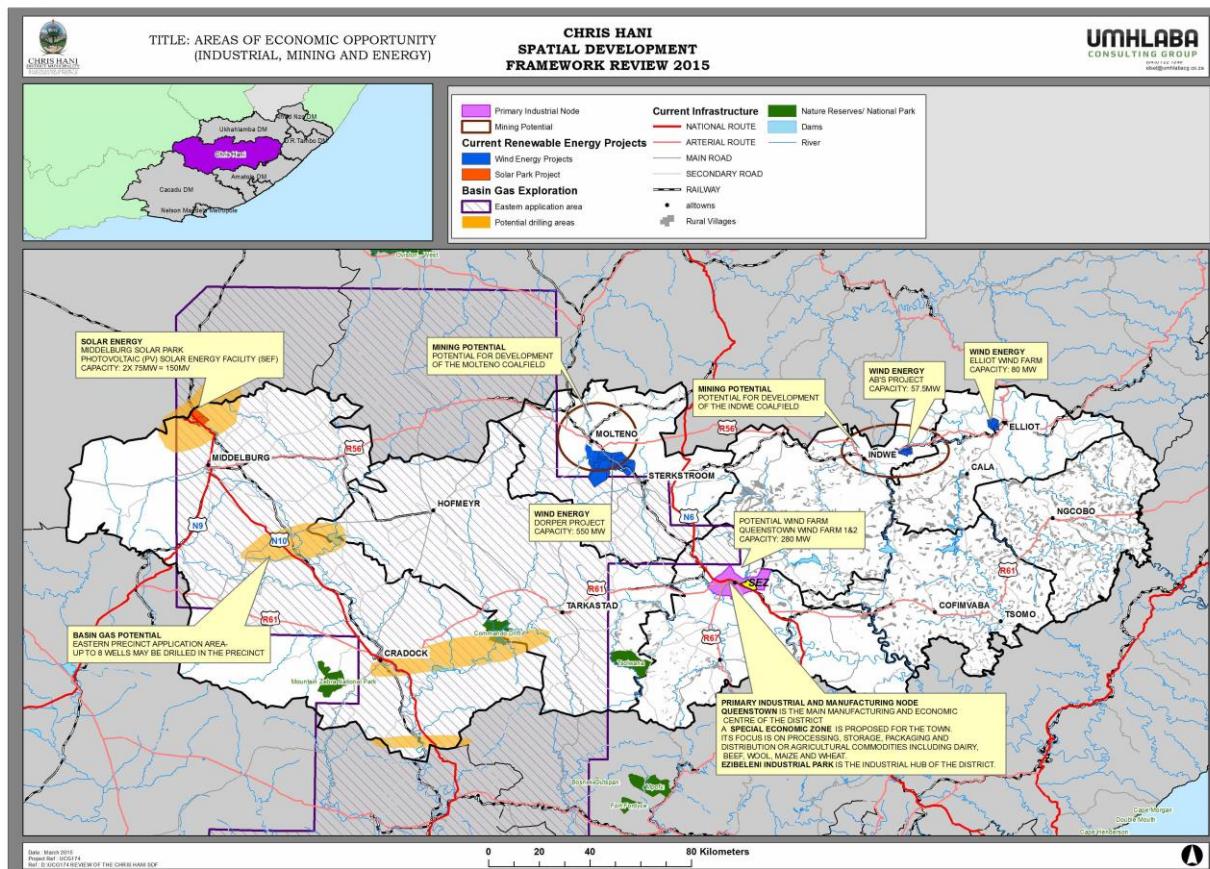
4.3 District-Scale Special Development Areas

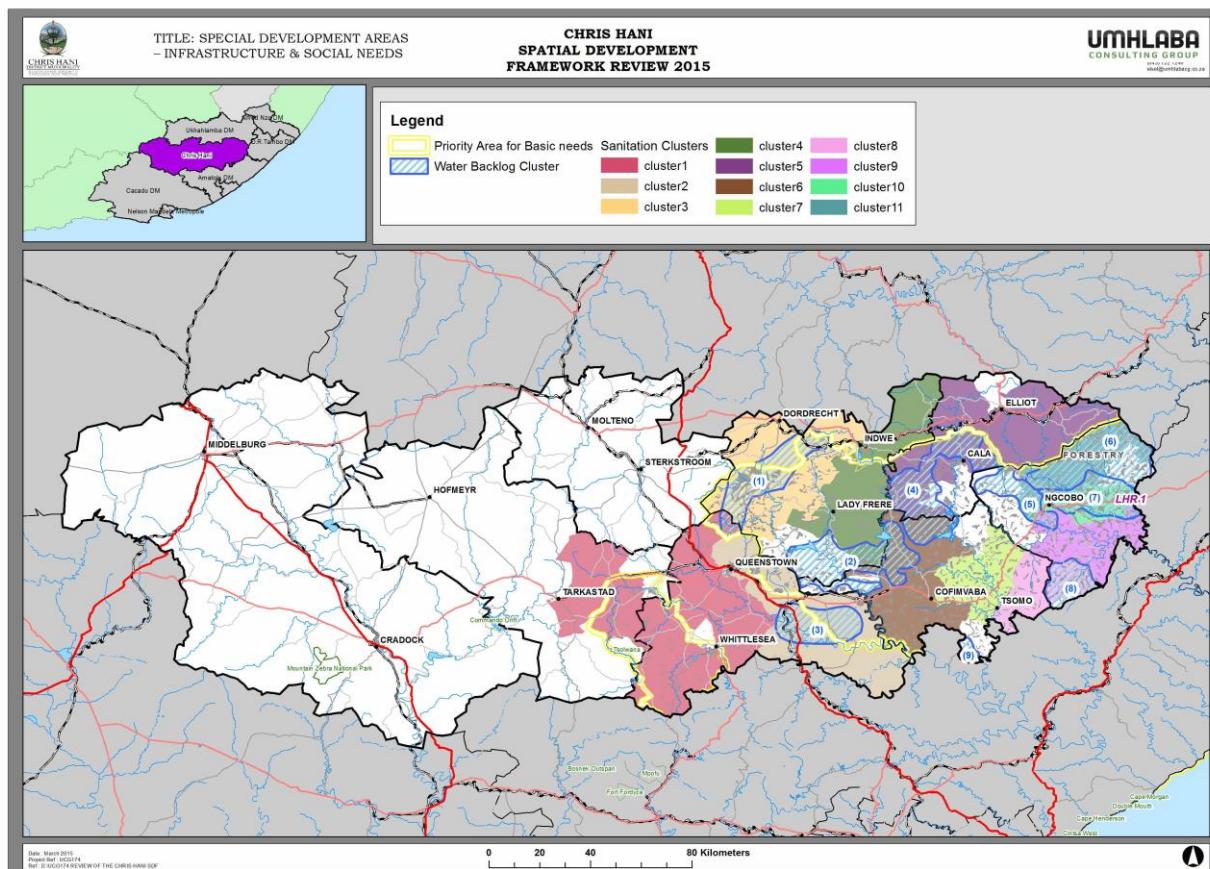
In line with the approach of attempting to direct development according to the Guidelines of the National Spatial Development Perspective, the SDF Review has extended the identification of Special Development Areas in Chris Hani Municipality and has focused on the following categories of SDA:

1. Areas of Local Economic Development Potential
2. Areas of Priority Basic Needs
3. Land Reform & Settlement Zones

Special Development Areas	Description
<p>1. Areas of Local Economic Development Potential</p> <ul style="list-style-type: none"> • Agricultural and Forestry Sectors • Tourism Sector • Manufacturing, Industry Mining and Renewable Energy Sectors 	SDAs that focus more specifically on defining spatial areas where certain forms of development potential have been identified, either through previous planning exercises, or through the REDS adopted by the CHDM







Special Development Areas	Description
3. Land Reform and Settlement Zones	<p>Land Reform & Settlement Zones are areas identified in the course of a participatory process with LMs. These Zones reflected areas that are identified as requiring specific forms of planning and development interventions in the interests of furthering land and agrarian reform and managed settlement development processes.</p> <p>In addition, the Area Based Plan for Land Reform in Chris Hani District also endorsed these Zones and added a conceptual spatial proposal relating to land located close to identified urban centres and along roads leading to/from such centres, which was to the effect that the area so defined is to be seen as an area of greater potential for the development of small-scale farming enterprises and schemes to train up emerging farmers for future participation in the land redistribution programme.</p>

4.4 Managing the Environment & Climate Change

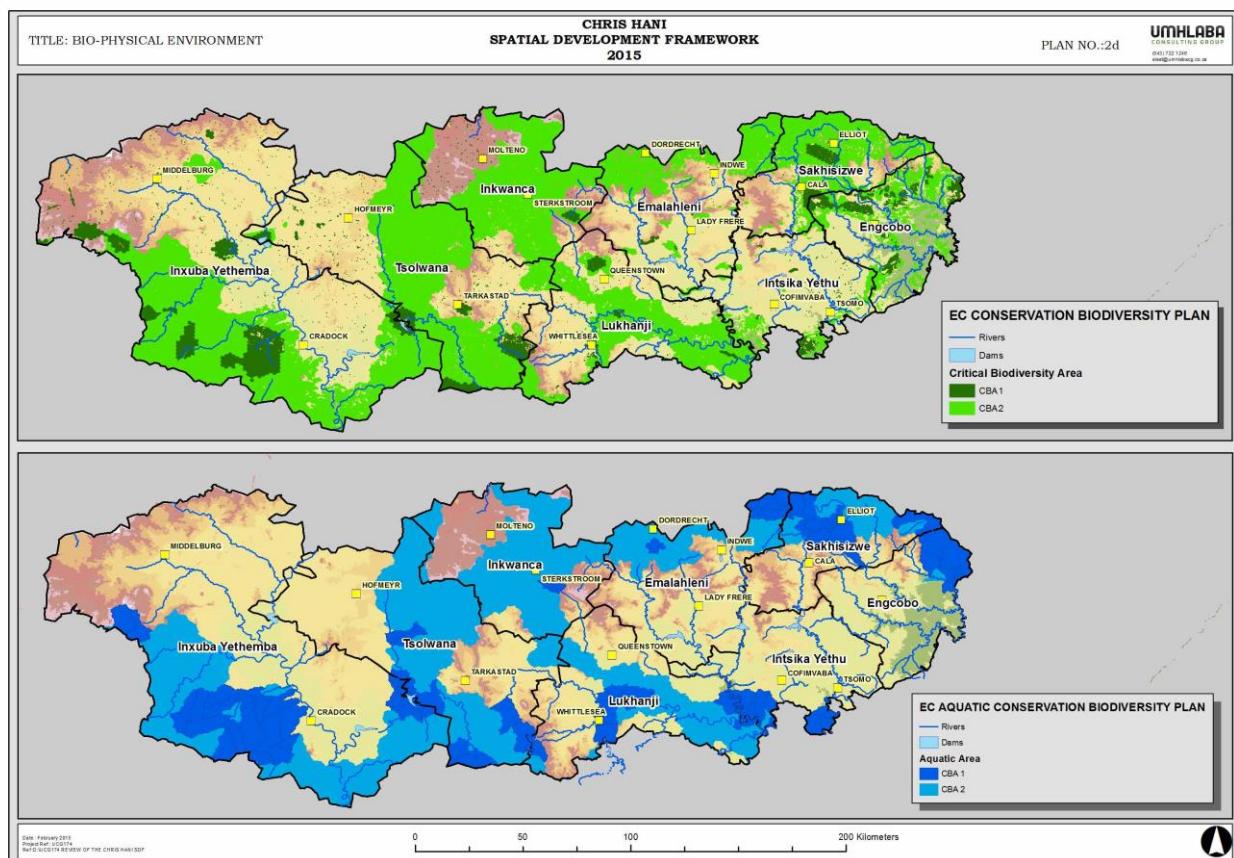
The final structural component of the overall district SDF relates to the priority of managing the environmental assets and resources of the district to promote sustainability and spatial resilience in the face of land development pressures and the changes being wrought by climate change.

Key elements of the district Environmental Framework are identified as follows: :-

- The area along the Great Kei River and its tributaries from the Xonxa and Lubisi Dams southwards consists of important valley thicket vegetation. The area north of Ngcobo contains pockets of aframontaine forests. Both these areas are important natural areas, which should be protected.
- The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves
- Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.
- From a natural resource perspective, the eastern part of Chris Hani District Municipality, the most deprived area within the municipality, has the most potential for agriculture and forestry because of good soils and a relatively high rainfall specifically with regards to:
 - Dryland agriculture for maize production
 - Irrigation and agriculture from the Xonxa Dam, Lubisi Dam and Ncora Dam
 - Forestry in the mountainous areas north of Engcobo
- The western part of the Chris Hani District Municipality is the best endowed with tourism resources such as:
 - Cradock and Middelburg form part of the Karoo Heartland Tourism route whilst Queenstown forms part of the Friendly N6 Tourism Route.
 - Abundant heritage resources in Queenstown, Cradock, Sterkstroom, Molteno, Middelburg and Hofmeyr along the east-west routes from Queenstown namely R61 and R56.

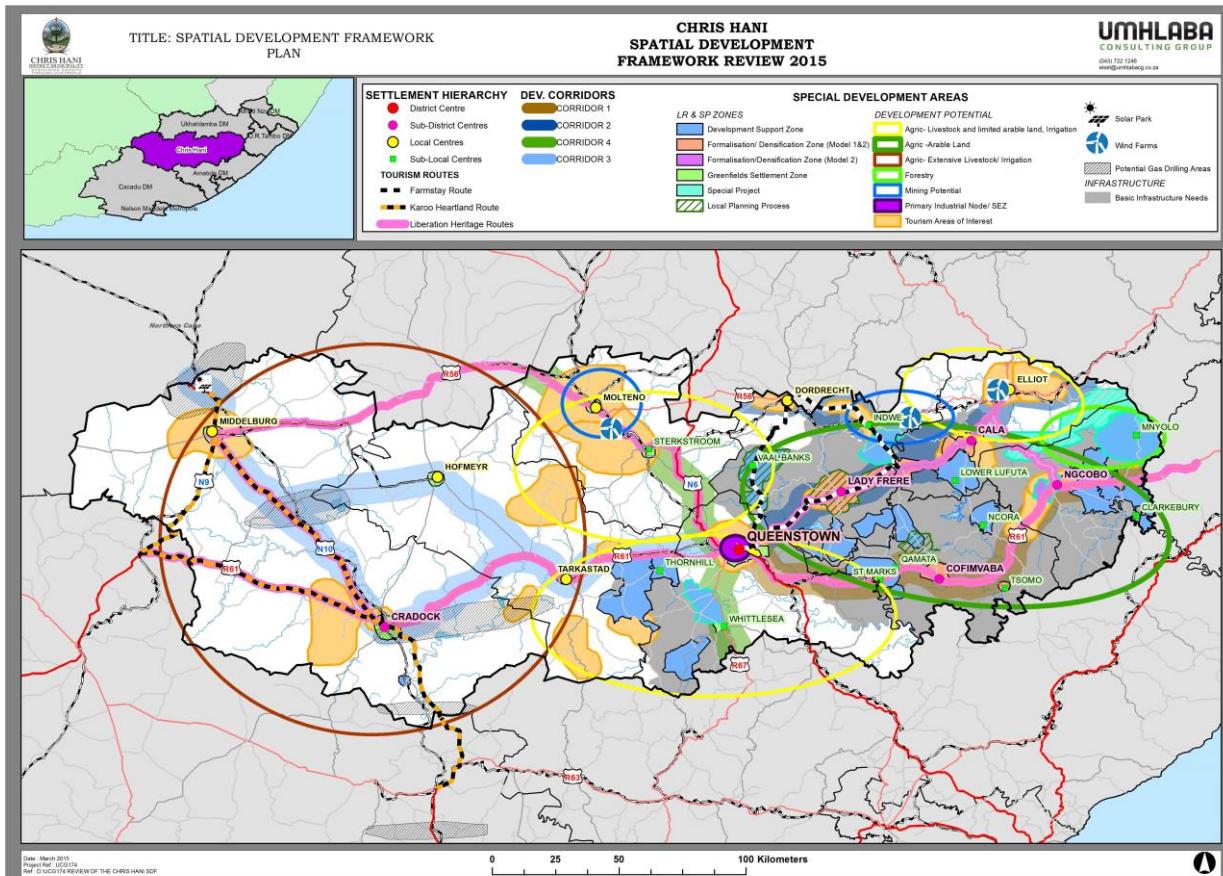
- The nature reserves along the R61, namely the:
- Tsolwana and Ntabatemba nature resources
- The Kommandodrift Dam Nature Reserve
- The Mountain Zebra National Park
- The abundance of private game reserves and hunting lodges in the western area.
- The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of a Local Municipality, namely Lawrence de Lange and Longhill (Lukhanji).

National Parks	• Mountain Zebra National Park
Provincial Nature Reserves	• Commandodrift • Tsolwana
Municipal Nature Reserves	• Lawrence de Lange • Longhill
Private	• Blanco • Striling
Natural Heritage Areas	• Benghoil and Bushy Park • Carnarvon • Mhoge



4.5 The Overall SDF

At an overall level, the Chris Hani District SDF illustrates the synthesis of the above spatial development elements in an overall plan.



The Land Use Management Guidelines contained in the SDF address issues relating to the need for land use management in the district in order to conserve and manage its natural and built environmental assets.

The Guidelines incorporate elements that are seen to contribute towards the goal of achieving a more holistic approach to land use management in the district, as follows: -

- In considering the character of the settlement pattern and typical forms of land use arrangements found in the Chris Hani District, the importance of Land Use Management as an activity that underpins the wise use of resources and contributes directly to economic and environmental sustainability is emphasized;
- Broad input is given on the need to manage relationships and formulate binding agreements and protocols on how to deal with land use management issues in the district. This is a crucial aspect, given the imminent implementation of the Spatial Planning & Land Use Management Act 16 of 2013 (SPLUMA) in 2015.
- Finally, in respect of the concern to ensure a more sustainable approach to urban and rural development, the following is set out: -

- A proposed **framework for categorizing different types of settlement and associating these with typical Levels of Service (LOS)** provision is provided, *based on previous work done for Land Reform & Settlement Plans compiled for the Amathole and Chris Hani District Municipalities, 2005*;
- Based on the guidelines suggested by the Eastern Cape Biodiversity Conservation Plan, generic land use objectives are incorporated in relation to the different land management classes identified in the Plan; and
- In relation to the hierarchy of settlement set out above, a broad set of guidelines is proposed.

CHAPTER 5**SECTOR PLANS**

The Situational Analysis has been conducted on all CHDM sector plans it has been discovered that some sector plans are still relevant and others are to be developed some from scratch whilst others just need a minor review and update.

CHDM PLANS	SECTOR	YEAR ADOP TED	STATUS	KEY ISSUE
Regional Economic Development Strategy	2008	2013/14 reviewed		The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities.
Corridor Development Plan	2011	No		"The Corridor plan is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province.
SMME Development Strategy	2007	2014/15 reviewed		It is an attempt to address constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles for SMME's to benefit.
Integrated Agricultural Strategy	2007	2014/15 reviewed		Revitalisation of Irrigation Schemes, livestock improvement and development, Agro-processing, high-value crop production are the key issues within the strategy.
Tourism Integrated Plan	2010	Be reviewed		That the district has access to major routes N6 and N10 and R61 and that competitive advantage be utilised. Resurrection of LTO's such as Intsika Yethu LTO, Middleburg Karoo Tourism, Cradock Karoo Tourism, Lukhanji LTO etc.
Environmental Management Plan {EMP}	2010	2013/14 Reviewed		The plan highlights areas of the environment which should be conserved and protected. Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources
Water Service Development Plan {WSDP}	2011	2015/16 Reviewed		It states that 76% of the total population of CHDM is served with water services whilst 55% is served with sanitation services.
Climate Change Adaptation Strategy	2011/12	No		

Housing /Development Plan	SECTOR		2014-15 Developed	The plan will assist to guide and to direct the housing programmes and housing projects within the district when developed.
Integrated Waste Management Plan	Waste	2010	2013/14Reviewed	It makes the recommendation about the development and implementation of a integrated waste management system/plan and intends to build the capacity of all LM's regarding waste management sites. This is done due to the fact that the majority of LM solid waste sites do not comply with legislation, are poorly managed and unlicensed
Disaster Management Policy Framework		2010	2013-14 reviewed	
HIV/AIDS STI & TB Workplace plan		2008	2013/14 reviewed	
Spatial Development Framework		2011/ 2012	2015-2020 Draft	
Employment Equity Plan		2010	2014/15 review	This is an attempt to restore or improve employee's well-being holistically and job performance to acceptable levels with minimal interference in the private lives of individuals.
Workplace Skill Development		2010	2014/15 review	This plan is designed to provide opportunities for theoretical and practical learning, culminating in a nationally recognised qualification.
Asset Management Policy			2014/15 review	
Virement Policy		2011/ 12	2012/13 Developed	
Fraud Prevention Plan		2012/ 13	2014-2015 review	It is an attempt to combat crime and fraud in the municipality and it further aims to discourage fraudulent/corrupt activities in the municipal order of business.
Communication Strategy		2011/ 12	Yearly review	
GIS Policy		Never adopted	Reworked	
Risk Management Plan		2011/ 12	2014/15 review	

Perfomance Mnagement Framework	2009	2014/15 Draft	It is there to provide a mechanism for ensuring increased accountability between the communities of Chris Hani district and the municipal council and as well between the political and administrative components of the municipality and between each department and the office of the municipal manager.
<u>LIST OF SECTOR PLANS TO BE DEVELOPED</u>			
Air Quality Management Plan			
Housing Development Plan			
Informal Traders Strategy			
Informal Trader Strategy			
Cooperative/ SMME Strategy			

CHAPTER 6 **CHDM FINANCIAL PLAN**

Chris Hani District Municipality prepared an IDP/Budget/PMS process plan action programs for the 2016-2019 Medium Term Revenue and Expenditure Framework (MTREF) which started on 25 July 2016. The Minister of Finance tabled the Division of Revenue Bill and subsequent to this, the budget allocations were published for all spheres of government.

The purpose of this document is to outline the key financial considerations considered in the budget allocations for the 2016 to 2019 MTREF. Key assumptions in the municipality's budget prioritization process are identified as well as the key areas of applicability. They are as follows:

1. Population statistics and household services as per Census 2011.
2. Own revenue projections according to the tariff structure.
3. Free Basic Services
4. Inflationary trends
5. Budget allocations in terms of the Division of Revenue Bill, 2016

The financial plan is to create the medium-term strategic financial framework for allocating resources through the municipal budgeting process and to ensure the financial viability and sustainability of the Chris Hani district municipality's investments and operations. Other important reasons for developing the financial plan are as follows:

- to ensure a close planning and budgeting link;
- to inform municipal budgeting over tier;
- to facilitate inter-governmental alignment with regard to capital requirements and sources of funding;
- assess financial management arrangement and financial strategy; and
- To outline revenue and expenditure forecast.

The needs and demands of the various communities far exceed the resources available to the municipality. Consequently it is necessary to weigh the competing demands and to prioritize expenditure. In such a process there are always trade-offs that lead both political and senior management to focus on the poorer areas where the greatest need exists. Without proper financial planning, sustainability and sound financial management will not be achieved. Given the nature of Integrated Development Planning, it will be necessary to revise and update financial strategies on a continuous basis. This will ensure realistic monitoring and the implementation of pro-active adjustments to the status quo.

The draft budget recognises the funding streams of Council that have remained the same as in the previous budget year being mainly service charges for water and sanitation services and grant funding from both national and provincial departments. Other revenue in addition

to the above is investment revenue and sundry revenue that is inclusive of input VAT from conditional grants expenditure. The input VAT from conditional grants is recognised as municipalities were advised to do so by MFMA Circular 48 of 2009 and the subsequent National Treasury budget related circulars. The expenditure of the municipality is mainly as a result of employee related costs and allowances, expenditure on operating and capital grants, transfers and grants to the municipal entity and adopted schools, repairs & maintenance and other operating expenditure that includes general expenses, debt impairment and depreciation on property plant and equipment and all these expenditure items are reflected in Table A4 of Schedule A.

The draft budget for 2016/2017 MTREF budget year, started with a process of looking at the audited outcomes for 2014/15, mid-year performance and the budget adjustment that was tabled in Council on 24 February 2016. The issues raised in the departmental and institutional strategic sessions were also taken into account during the preparation of this budget as they had a direct influence or bearing to the 2016/17 IDP. The allowable increases (parameters) of 6,6%, 6,2% and 5.9% for the current budget year and the two outer years as determined by National Treasury were taken into account when crafting this budget.

The salaries budget recognises current salary levels and potential increases for cost of leaving adjustment and general annual increase that will be effected as from July 2016 and the filling of prioritised vacant funded posts in the organisational structure. The collective agreement has allowed for a 7% increase in 2015/16 and in 2016/17 and 2017/18 respectively the department has allowed for an average increase on the CPI plus 1. Though SALGA and National Treasury had made the later determination on salary increases, the municipality has allowed for a 10% increase in salaries to cater for prioritised positions on the organisational structure that was approved by Council in December and the integration of personnel that came from municipalities during water take over. All Directorates were requested to provide further inputs to the operating budget based on their needs and also taking into account the constraints presented by the limited revenue sources of the municipality. Engagements were made with departments, technical budget steering committee and the Budget Steering Committee that is formed in line with Regulation 4 of the MBRR. Provincial allocations (including agency functions) made / expected to the district were bot confirmed by the respective departments for current and the outer budget years. The outcome of the draft budget process was a non-cash deficit of R91,8 m after the contribution to Asset Finance Reserve amounting to R129,5m, which will be funded from the accumulated surplus. The municipality has however managed to raise an amount of R80m from its reserves to fund the expenditure that relates to CHDM Village/Office Park. The reserve has been accumulated through the input VAT that was received from SARS as a refund from Conditional Grants Revenue. The non- cash deficit is however reflecting a reducing trend when compared to the second adjustment budget.

The capital programmes funded from capital grants were budgeted to the extent of funds allocated in the Division of Revenue Bill, (DoRB) 2016.

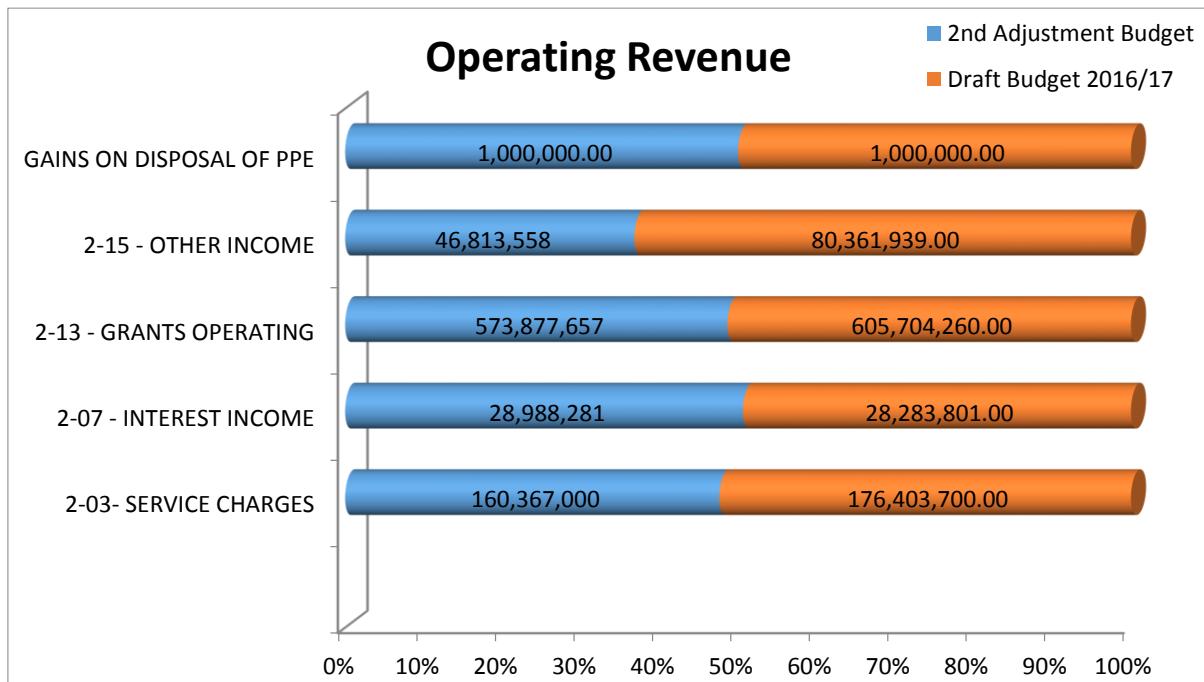
PROPOSED 2016/2017 DRAFT BUDGET:

The following tables (table 1 to 6) illustrate the anticipated revenue and expenditure streams.

Table 1: 2016/2017 - Operating Revenue: References Tables A4, SA1 and SA18-R 891,8m-

Revenue Source	2nd Adjustment Budget	Draft Budget 2016/1	% Change
2-03- SERVICE CHARGES	160,367,000	176,403,700	10%
2-07 - INTEREST INCOME	28,988,281	28,283,801	-2%
2-13 - GRANTS OPERATING	579,127,857	605,704,260	5%
2-15 - OTHER INCOME	46,813,558	80,361,939	72%
GAINS ON DISPOSAL OF PPE	1,000,000	1,000,000	0%
Grand Total	816,296,696	891,753,700	9%

The above table reflects 9% increase in revenue when comparing the proposed budget with the second adjustment budget. The major contributing factors being revenue from service charges and other revenue from input VAT from conditional grants. Grants and Subsidies represent the combination of all grants and subsidies utilised to fund the operating budget, such as Equitable Share, Finance Management Grant (FMG), Municipal Systems Infrastructure Grant (MSIG), the allowable portion of the MIG to fund the Project Management Unit (PMU), the amount budgeted for VIP toilets on both MIG and WSIG and Roads Agency Grant. Investment income is comprised of anticipated interest on surplus funds invested and interest on primary bank account. Service charges are estimated water and sanitation revenue from the WSA/WSP function undertaken by the District municipality and this is based on anticipated billing and possible tariff increases. Other own revenue is comprised of anticipated sundry revenue such as administration fees on salary deductions, sale of tender documents and it includes input VAT realised on spending of conditional grants. Roads section as an agency function has been budgeted for as a separate programme / project in the operating budget in terms of the existing relationship between Council and the Provincial department of Roads and Public Works though this agreement has not been concluded for this MTREF.

Figure 1: 2016/2017 - Operating Revenue:

The above table reflects an overall increase in operating revenue by 9% compared to the second adjustment budget and a 5% decrease when compared to the original budget. The decrease in the original budget was influenced by a decrease in the water and sanitation revenue that was taken care of during the second adjustment budget. The 72% increase in other revenue/income and the 2% decrease in interest revenue has taken into account the audited results, mid-year performance and the revenue as at end of February 2016. Though the municipality has shown an increase in revenue when compared to the previous year, the increase in revenue is very minimal when compared to expenditure.

The above table also reflects that 68% of the municipal operating revenue comes from grant funding, both conditional and unconditional, leaving the contribution of the municipality to revenue at 32%.

The operating grants referred to are reflected in the table below.

<u>OPERATING GRANTS 2016/17 MTREF</u>				
Details of Grant Revenue	2nd Adjustment B	Draft Budget 2016/	% Change	
EQUITABLE SHARE	446,759,000	485,308,000	9%	
FINANCIAL MANAGEMENT GRANT	1,500,000	1,500,000	0%	
MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)	940,000	1,040,000	11%	
EXPANDED PUBLIC WORKS PROGRAMME (EPWP)	5,961,000	7,797,000	31%	
RURAL ROAD ASSET MANAGEMENT (RAMS)	3,016,000	3,097,000	3%	
MIIG OPERATIONAL	84,401,657	71,162,260	-16%	
ROADS AND PUBLIC WORKS	27,800,000	27,800,000	0%	
PROV: DEDEAT	4,000,000	4,000,000	0%	
RHIG/WSIG	4,000,000	4,000,000	0%	
TOTAL OPERATING GRANTS	542,577,657	605,704,260	12%	

Table 2: 2016/2017 Draft – Operating expenditure: Table A4 AND SA1

Expenditure Classification	2nd Adjustment Budget	Draft Budget 2016/17	% Change
1-31 - EMPLOYEE RELATED COSTS - REMUNERATION	234,205,275	270,195,110	15%
1-32 - EMPLOYEE RELATED COSTS - SOCIAL CONTRIBU	36,650,142	41,815,496	14%
1-33 - REMUNERATION OF COUNCILLORS	10,866,939	11,953,633	10%
1-36 - DEPRECIATION	115,434,000	130,000,000	13%
1-37 - REPAIRS AND MAINTENANCE	58,354,204	60,687,000	4%
1-39 - BULK PURCHASES	16,500,000	17,049,855	3%
1-40 - CONTRACTED SERVICES	12,271,011	16,000,000	30%
1-41 - GRANTS AND SUBSIDIES PAID: OPERATIONAL	18,040,000	18,540,000	3%
1-43 - GENERAL EXPENSES	443,586,938	417,822,236	-6%
1-44 - DEBT IMPAIRMENT	347,065,000	196,237,000	-43%
1-45 - INTEREST ON OVERDUE ACCOUNTS	397,958	-	-100%
1-46 - INDIGENT SUBSIDY	21,915,360	32,142,528	47%
Grand Total	1,315,286,826	1,212,442,858	-8%

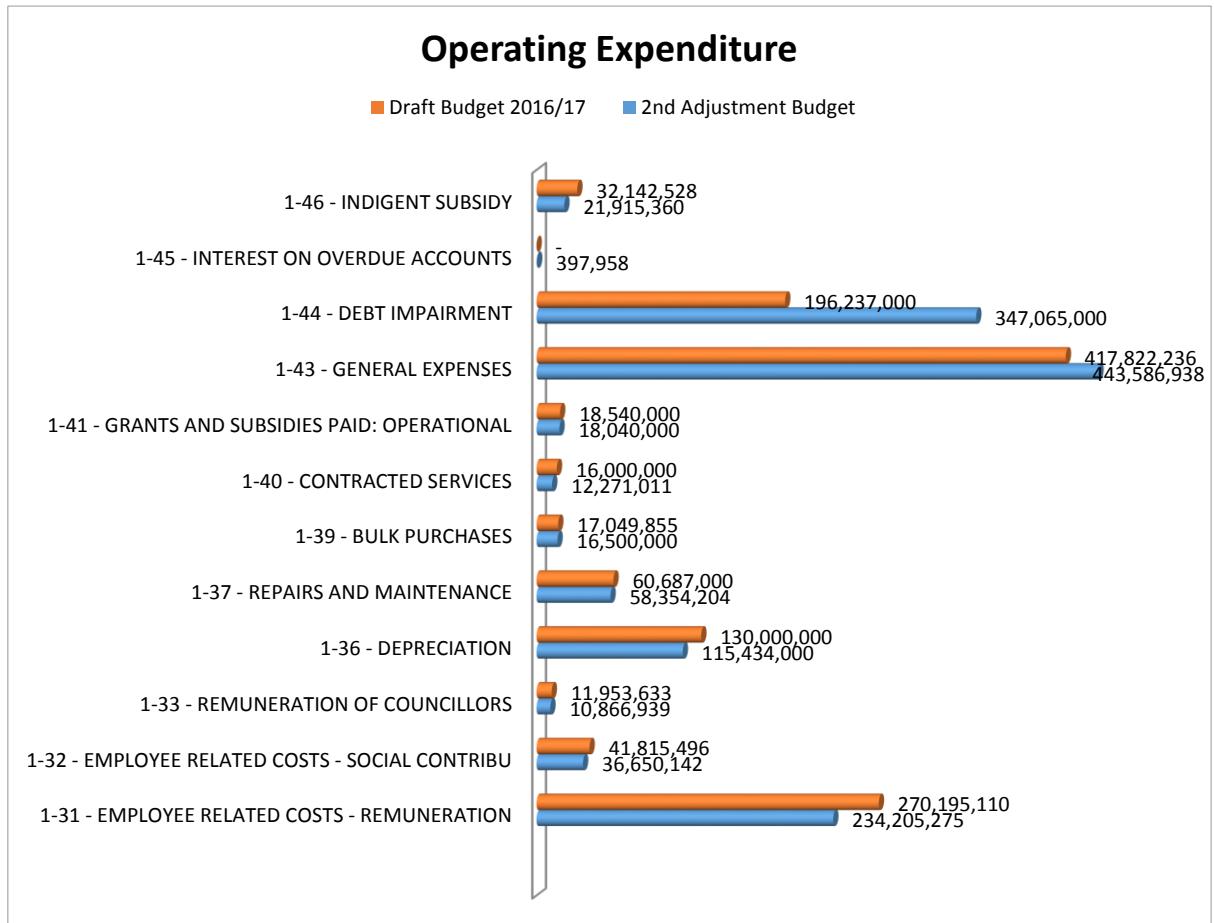
The table above reflects 8% decrease in operating expenditure when compared with the second adjustment budget and a 37% increase when compared to the original budget.

The following expenditure items increased:

- ✓ Employee related costs;
- ✓ Depreciation and Asset Impairment;
- ✓ Repairs and Maintenance;
- ✓ Bulk Purchases;
- ✓ Contracted Services; and
- ✓ Indigent Subsidy.

The following expenditure items have however decreased:

- ✓ General Expenses; and
- ✓ Debt Impairment.

Figure 2: 2016/2017 Final – Operating expenditure:

The increase in employee related costs above 10% is allowing for the inflation increase, cost of living adjustment, staff integration and funding of the prioritised positions in the approved organisational structure. The 30% increase in contracted services is meant to cater for securities for all satellite offices within the district. The 47% increase in indigent subsidy is meant to cater for the 3000 additional households that are targeted in 2016/17 during the indigent registration process.

The decrease in debt impairment is influenced by the provisions that were made in 2014/15 and 2015/16 financial year and the amount of outstanding debt for 2014/15 taking into account the billing for the current year. The municipality has a target to register 12,000 households during 2016/17 financial year has the increase in indigent subsidy.

Table 3: IDP Equitable share projects / programmes for 2016/17 MTREF

Department	2nd Adjustment Budget	Draft Budget 2016/17	Increase/ Decrease
COMMUNITY SERVICES	19,900,000	15,790,000	-21%
CORPORATE SERVICES	18,021,548	18,000,000	0%
IPED	50,957,734	48,400,000	-5%
MUNICIPAL MANAGER	7,421,000	5,750,000	-23%
BUDGET & TREASURY	-	2,000,000	100%
TECHNICAL SERVICES	2,354,533	2,000,000	-15%
Grand Total	120,759,321.00	91,940,000.00	-24%

Table 3 above reflects a 24% decrease in equitable share programmes when comparing the second adjustment with the proposed draft budget and 1% increase when compared to the original budget. There is no significant increase in these programmes due to municipal revenue that is currently not permitting. The municipality has to survive within its means hence this expenditure item was not increased by a higher amount when compared to the original budget.

Figure 3: 2016/2017 IDP/Equitable Share Programmes:

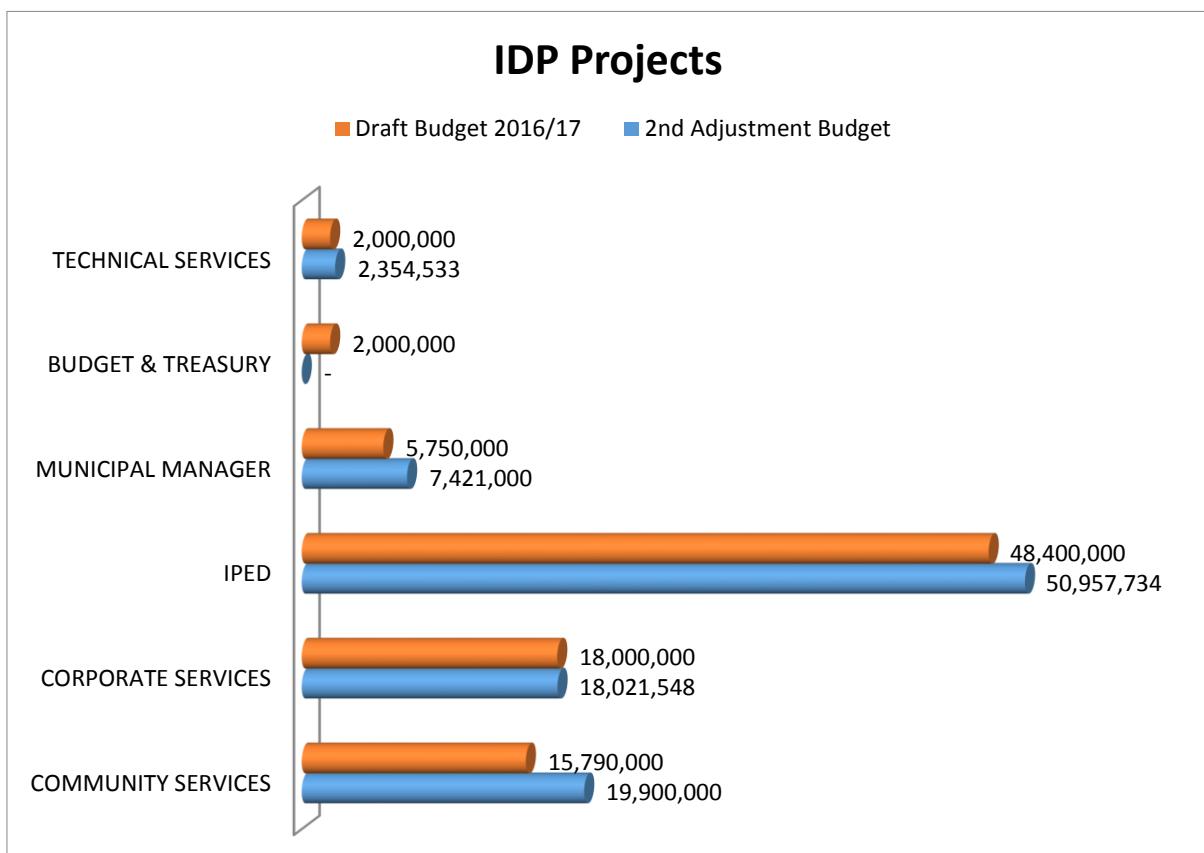


Table 4: EPWP allocation of Grant to projects –2016/17 MTREF

Directorate	Original Budget 2015/16	Draft Budget 2016/17
Corporate Services	R1,800	R2,280
Integrated development and Planning	R1,000	R3,000
Health and Community services	R3,161	R2,517
Total	R5,961	R7,797

Table 4 represents the allocation of EPWP amongst various directorates within the municipality. The funding is however not sufficient to cover the current running programmes by the municipality through this grant, as a result top up funding is required from the municipal revenue for IPED and Health and Community Services. The municipality has however received additional funding from this grant compared to the previous year and that reflects 30,8% increase compared to the previous budget year.

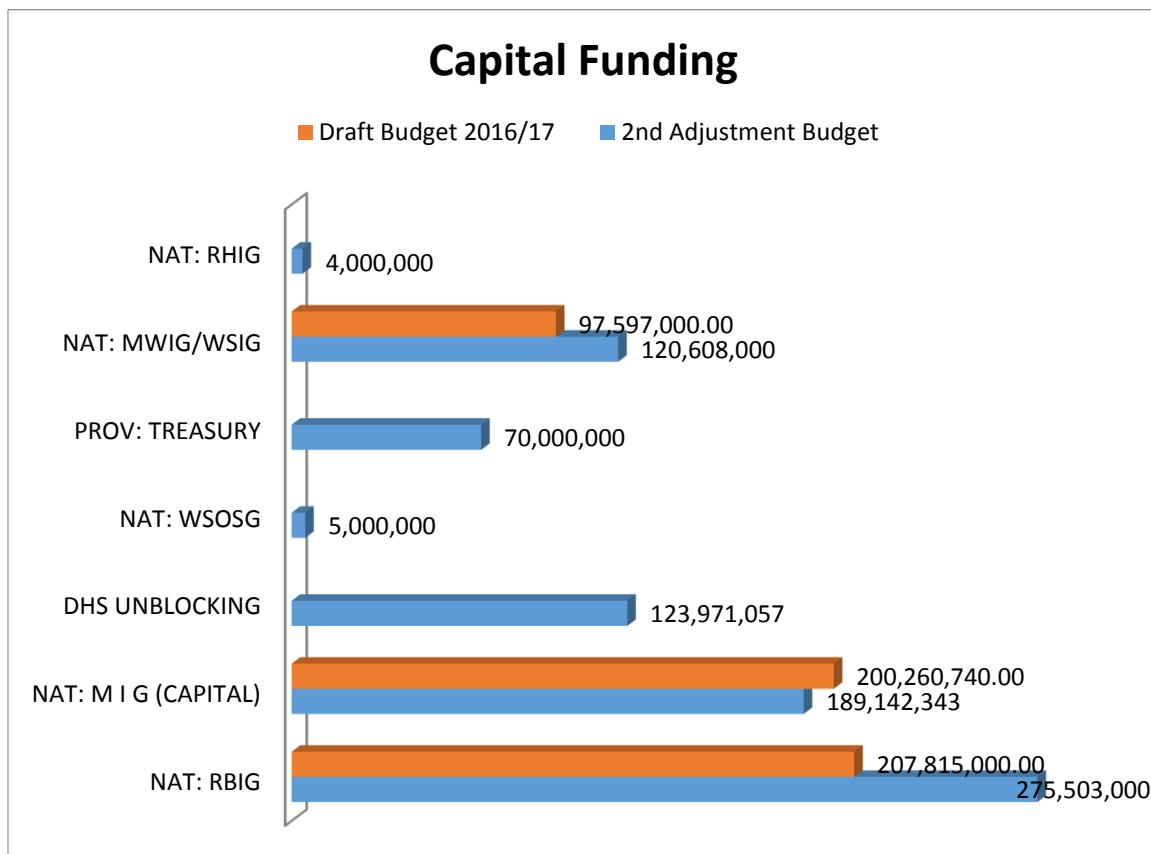
Table 5: 2016/2017 Final – Capital Revenue: Table SA 18, - R 505,7m

Grant Name	2nd Adjustment Budget	Draft Budget 2016/17	% Change
NAT: RBIG	275,503,000	207,815,000	-25%
NAT: MIG (CAPITAL)	189,142,343	200,260,740	6%
DHS UNBLOCKING	123,971,057		-100%
NAT: WSOSG	5,000,000		-100%
PROV: TREASURY	70,000,000		-100%
NAT: MWIG/WSIG	120,608,000	97,597,000	-19%
NAT: RHIG	4,000,000		-100%
Grand Total	788,224,400	505,672,740	-36%

MIG, RBIG and WSIG (Water Services Infrastructure Grant) are conditional grants allocated per the DORA to specified approved projects to deal with water and sanitation backlogs within the district. The Department of Water and Sanitation has replaced MWIG with WSIG and this grant incorporates WSOG and RHIG. All the programmes that were running under these grants will be funded from WSIG grant and there are clear allocations in the DoRB for this purpose. There is however a noticeable decrease of 36% in capital grants when comparing the second adjustment with the proposed draft budget. The Treasury/COGTA and DHS Unblocking grants are provincial grants that are not transferred in tranches like National grants, but are paid via invoices.

They are not reflected on the budget as these are not continuing grants, the balance that is left at year end would be rolled over in August 2017. Though the municipality is overcommitted on all its capital grants the allocations have decreased instead of increasing and that negatively affects the planning and smooth running of the projects by the municipality.

Figure 4: 2016 / 2017 Draft Budget 2106/17 – Capital Revenue



CAPITAL EXPENDITURE / PROJECTS: Table A5 and SA 18 in R 635m.

Capital Revenue	2nd Adjustment Budget	Draft Budget 2016/17	% Change
ASSET FINANCING RESERVE	43,067,000	129,527,050	201%
MUNICIPAL INFRASTRUCTURE GRANT (MIG)	189,142,343	200,260,740	6%
REGIONAL INFRASTRUCTURE GRANT (RBIG)	275,503,000	207,815,000	-25%
RHIG	4,000,000	-	-100%
MWIG	120,608,000	97,597,000	-19%
DHS UNBLOCKING	123,971,057	-	-100%
PROVINCIAL TREASURY	70,000,000	-	-100%
WATER SERVICES OPER GRANT - REFUBLISHMNT	5,000,000	-	-100%
Grand Total	831,291,400	635,199,790	-24%

The capital programmes funded from capital grants were budgeted to the extent of funds allocated. The high increase in internal funded assets is as a result of CHDM Village/Office Park that has been provided for at R80m. The above table reflects a decrease in capital expenditure by 24% when compared to the second adjusted budget.

This is as a result of Treasury/COGTA and DHS Unblocking grants that were provided for during 2015/16 financial year.

CHDM CAPITAL PROGRAMMES

MIG FUNDED PROJECTS FOR 2016/17 TO 2018/19 FINANCIAL YEARS				
Municipalities	Projects	2016/17	2017/18	2018/19
Emalahleni	Mhlanga Water Supply	9 000 000,00	15 000 000,00	-
	Mhlanga & Mgwalana Bulk Water Supply	520 740,50	6 031 846,00	10 000 000,00
	Nkolonga, Sikhwanqeni Water Supply	15 000 000,00	4 000 000,00	-
	Cluster 4 Sanitation	500 000,00	6 000 000,00	6 288 685,00
	Cluster 3 Sanitation	500 000,00	6 000 000,00	6 000 000,00
	Dodorecht Water Supply Upgrade	8 000 000,00	-	-
	Dodorecht Upgrade of Water Treatment Works	-	-	13 000 000,00
TOTAL		33 520 740,50	37 031 846,00	35 288 685,00
Inkwanca	Molteno Sewer Bulk	10 892 592,50	12 243 017,00	15 111 032,00
	Upgrade of Molteno Oxidation Ponds	2 000 000,00	2 000 000,00	-
TOTAL		12 892 592,50	14 243 017,00	15 111 032,00
Intsika Yethu	Ward 8 Sanitation	-	1 669 227,00	15 000 000,00
	Cofimvaba Ward 3 Sanitation VIP Toilets	12 000 000,00		
	Intsika Yethu Sanitation	-	1 000 000,00	15 000 000,00
	Cofimvaba Bulk Water & Sewer Services		1 000 000,00	15 000 000,00

	Water Backlog: Region Scheme 5 Phase 3	6 000 000,00	10 000 000,00	-
	Water Backlog: Region Scheme 2 Phase 1	5 500 000,00	16 000 000,00	-
	Tsomo RDP2 Water Supply	2 500 000,00	-	-
	Cluster 6 Sanitation	5 000 000,00	5 000 000,00	7 000 000,00
	Cluster 7 Sanitation	5 000 000,00	5 000 000,00	7 000 000,00
	Cluster 8 Sanitation	5 000 000,00	5 000 000,00	6 488 543,00
	Tsomo Bulk Services	-	1 000 000,00	-
	Cluster 4: Ncora Zone A Villages	12 000 000,00	1 000 000,00	-
	Kwamzolo Water Supply	2 227 407,00	12 000 000,00	1 000 000,00
	Gesini B Water Supply	1 500 000,00	4 000 000,00	-
TOTAL		56 727 407,00	62 669 227,00	66 488 543,00
Inxuba Yethemba	Cradock Bulk Services	12 892 593,00	14 243 018,00	15 111 033,00
Lukhanji	RA 60 Hewu Bulk Water Supply Phase 6	5 000 000,00	-	-
	RA 60 Hewu Bulk Water Supply Phase 7	2 000 000,00	5 000 000,00	5 000 000,00
	Rathwick Bulk Services Phase 4	1 000 000,00	-	-
	Rathwick Bulk Services Phase 5	-	10 000 000,00	10 000 000,00
	Rathwick Bulk Services Phase 6	-	-	10 000 000,00
	Ilinge Bulk Services	2 000 000,00	10 000 000,00	10 000 000,00
	Cluster 1 Water Supply Backlog Phase 2	8 800 000,00	-	-
	Cluster 1 Sanitation	6 677 777,00	7 729 052,00	5 000 000,00
	Cluster 2 Sanitation	6 000 000,00	10 000 000,00	5 333 097,00
TOTAL		31 477 777,00	42 729 052,00	45 333 097,00

Engcobo	Engcobo Treatment Works	10 000 000,00	15 000 000,00	17 000 000,00
	Extension 11 Bulk Services	-	1 000 000,00	-
	Cluster 5 Water Backlog	-	3 000 000,00	5 000 000,00
	Zadungeni and Luthuthu Water Supply	9 427 407,00	-	-
	Gubenxa Villages internal Water Supply	-	10 669 227,00	20 000 000,00
	Lokishini Villages Water Supply Phase 1	12 000 000,00	-	-
	Lokishini Villages Water Supply Phase 2	-	1 000 000,00	9 488 543,00
	Dulati Ntsinga and Nqancule Villages Water Supply	10 000 000,00	17 000 000,00	-
	Skobeni Water Supply	3 500 000,00	-	-
	Tora Water Treatment Works	15 000 000,00	-	-
	Lunda Village Reticulation	5 000 000,00	-	-
	Cluster 9 Sanitation	3 000 000,00	5 000 000,00	5 000 000,00
	Cluster 10 Sanitation	3 000 000,00	5 000 000,00	5 000 000,00
	Cluster 11 Sanitation	3 000 000,00	5 000 000,00	5 000 000,00
TOTAL		73 927 407,00	62 669 227,00	66 488 543,00
Sakhisizwe	Elliot Pumpstation with Bulk Collector Sewers	1 000 000,00	5 000 000,00	20 000 000,00
	Cluster 5 Sanitation	1 520 741,00	6 000 000,00	6 000 000,00
	Mthingwevu Water Supply Scheme	10 000 000,00	20 000 000,00	6 000 000,00
	Upper Lufutha Water Supply	5 000 000,00	2 000 000,00	-
	Upper Lufutha Extension(Mblodlana) Water Supply	5 000 000,00	3 000 000,00	-
	Upgrading of Cala Waste Water	1 000 000,00	-	-

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	Treatment Works Phase 1			
	Upgrading of Cala Bulk Gravity Collector Sewers Phase 2	-	1 031 845,00	-
	Upgrading of Cala Bulk Gravity Collector Sewers Phase 3	-	-	11 288 684,00
TOTAL		23 520 741,00	37 031 845,00	43 288 684,00
Tsolwana	Cluster 1 Sanitation	6 392 592,00	1 000 000,00	-
	Rehabilitation of Sewer Ponds - Hofmeyer	1 000 000,00	5 000 000,00	7 000 000,00
	Tarkastad Bulk Services	500 000,00	3 243 118,00	5 000 000,00
	Hofmeyer: Upgrade of Sewer Bulk Services (Pumpstation)	5 000 000,00	5 000 000,00	3 111 033,00
TOTAL		12 892 592,00	14 243 118,00	15 111 033,00
GRAND TOTAL		257 851 850,00	284 860 350,00	302 220 650,00
ALLOCATION		257 851 850,00	284 860 350,00	302 220 650,00

Sanitation Projects 57 591 110,00 70 398 279,00 94 110 325,00

Total Capital Expenditure 200 260 740,00 214 462 071,00 208 110 325,00

**WSIG FUNDED PROJECTS FOR
2016/17 TO 2018/19 FINANCIAL
YEARS**

Municipalities	Projects	2016/17	2017/18	2018/19
Emalahleni	Cluster 2 Water Backlog		-	20 000 000,00
	Cluster 2 (Jiputa Makhikhi; Emazimeni; Emaqwathini; Lukhavana) Phase 2	7 500 000,00	3 000 000,00	-
	Cluster 2 RS 1-1B (Gcina; Qumbu; Hala; Mbetheni; Kuliweni) Phase 1	2 000 000,00	17 000 000,00	1 000 000,00
	Cluster 2 RS 1-1B (Gcina; Qumbu; Hala; Mbetheni; Kuliweni) Phase 2	-	10 000 000,00	10 000 000,00
	Gqebenya Small Farms Interim Water Supply	-	10 000 000,00	10 000 000,00
	Mdeni Interim Water Supply	1 000 000,00	4 000 000,00	-
	Cluster 2 Water backlog Project-Regional Scheme 3:Phase 1G	-	10 000 000,00	15 000 000,00
	Cluster 2 Water backlog Project-Regional Scheme 3:Phase 1D		15 000 000,00	10 000 000,00
	Refurbishment of machubeni Regional Scheme	2 000 000,00	2 000 000,00	2 000 000,00
	Water Conservation and Demand Management-Dordrecht			2 500 000,00
TOTAL		12 500 000,00	71 000 000,00	70 500 000,00
Intsika Yethu	Cluster 4 Water Backlog	-	-	13 764 000,00
	Cluster 4 (Gesini; Kwamzola; Melika Matole-anyile A & B) Phase 1	12 697 000,00		
	Cluster 4 (Gesini; Kwamzola; Melika Matole-anyile A & B) Phase 2	-	11 000 000,00	-

	Tsomo RDP 3 (East Bank; Daza; Nteza; Vrystad; Zolo) Phase 1	12 300 000,00	-	-
	Tsomo RDP 3 (East Bank; Daza; Nteza; Vrystad; Zolo) Phase 2	-	7 500 000,00	-
	Regional Scheme 5 - Phase 2	-	11 139 000,00	-
	Regional Scheme 2 - Phase 2	-	20 000 000,00	2 000 000,00
	Refurbishment of Tsojana Bilk Line	-	3 000 000,00	4 000 000,00
TOTAL		24 997 000,00	52 639 000,00	19 764 000,00
Inxuba Yethemba				
	Rosmead Package Plant WWTW	6 000 000,00		
	Rosmead Sewer Network Connection	-	2 000 000,00	-
TOTAL		6 000 000,00	2 000 000,00	-
Engcobo				
	Cluster 7 (Eluhweni-vetyu;Nkwenkwana A;Malanganzana;Qoloweni)	12 500 000,00	-	-
	Cluster 7 (Didi Water Supply)	7 000 000,00	-	-
	Cluster 8 (Nquthura;Chaba E,D;Nxamagale A,B;Ndlinkulu A)	4 100 000,00	-	-
	Cluster 6 Water Backlog	-	-	12 000 000,00
	Cluster 8 (Nquthura;Chaba E,D;Nxamagale A,B;Ndlinkulu B)	19 000 000,00	21 000 000,00	-
	Engcobo Rural Household	4 000 000,00	4 500 000,00	5 000 000,00
	Augmentation of Engcobo Rural Scheme	2 000 000,00	2 500 000,00	4 000 000,00
	Augmentation of Qitsi Rural Scheme	-	-	3 000 000,00
		48 600 000,00	28 000 000,00	24 000 000,00
Sakhisizwe				
	Cluster 4 Water Backlog		-	20 000 000,00
	Cluster 4 (Lower Langanci;Upper Indwana;Upper Mnxe) Phase 2	3 000 000,00	-	-
	Elliot:Polar Park Water Services-Phase 3	1 500 000,00	-	-

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	Elliot:Polar Park Water Services-Phase 4	4 000 000,00	2 000 000,00	-
	Gubenxa and Maxongo's Hoek Interim	1 000 000,00	4 000 000,00	-
	Mhlwazi Water Supply	-	5 000 000,00	1 000 000,00
	Ntlangano Water Supply		1 000 000,00	10 000 000,00
	Refurbishment of Cala Bulk Water	-	-	4 000 000,00
	Water Conservation management Elliot Old Location	-	-	3 000 000,00
TOTAL		9 500 000,00	12 000 000,00	38 000 000,00
Tsolwana	Augmentation of Tarkastad Scheme	-	3 000 000,00	-
TOTAL		-	3 000 000,00	-
GRAND TOTAL				
ALLOCATION		101 597 000,00	168 639 000,00	152 264 000,00
SHORTFALL		(101 597 000,00)	(168 639 000,00)	(152 264 000,00)

Total Capital Expenditure

97 597 000,00

164 139 000,00

147 264 000,00

**RBIG FUNDED PROJECTS FOR
2016/17 TO 2018/19 FINANCIAL
YEARS**

Municipalities	Projects	2016/17	2017/18	2018/19
Intsika Yethu	Tsomo River Abstraction and Water Treatment Works	15 000 000	20 186 000	37 659 000
	Lubisi Scheme Water Treatment Works	58 303 000	56 000 000	18 582 000
Total		73 303 000	76 186 000	56 241 000
Engcobo	Sitholeni Water Treatment Works & Rising Main	63 262 000	52 358 000	26 397 000
	Gqaga Rising West			
Lukhanji	Xonxa Mechanical & Elelctrical - Water	58 013 000	-	-
Tsolwana	Hofmeyer Water Supply	6 848 000	-	-
Inxuba Yethemba	Middleburg Water Provision	6 390 000	-	-
Total		207 816 000	128 544 000	82 638 000

CHAPTER 7

PERFOMANCE MANAGEMENT SYSTEM

Introduction

Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996 (the Constitution) defines the objects of local government and further, in terms of Section 153, imposes upon municipalities specific developmental duties that each municipality should strive to realise. With respect to the former, the Constitution suggests that a municipality must:

- a) Provide democratic and accountable government for communities;
- b) Ensure the provision of services to communities in a sustainable manner;
- c) Promote social and economic development;
- d) Promote a safe and healthy environment; and
- e) Encourage the involvement of communities and community organisations in the matters of local government.

The Constitution prescribes that municipalities must strive within their financial and administrative capacity to achieve such objects. In relation to the duties of municipalities, the Constitution prescribes that a municipality must:

- a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b) Participate in National and Provincial development programmes.

To ensure that the Chris Hani District Municipality (CHDM) complies with these pieces of legislation and that it delivers on the needs of its communities in an effective, efficient and economical manner, the CHDM has formulated strategic plans, allocated resources for the implementation of those plans and through this policy, seeks to develop a mechanism to monitor and measure the performance of the institution, inclusive of all its administrative units, against the set plans.

As the key to the success of the municipality in all its endeavors, performance management equips leaders, managers, workers and stakeholders with a set of tools and techniques for regularly planning, continuously monitoring and periodically measuring and reviewing the performance of CHDM in terms of the indicators and targets for effectiveness.

1.2 Purpose and Objectives

The primary purpose of this policy is to give effect to the performance management system as prescribed in various pieces of legislation. Through the translation of the municipality's vision, mission and objectives into measurable performance outcomes, the policy aims to provide a guide in terms which the performance of the institution and its administrative units can be measured, improved and/or maintained in order to improve service delivery.

To this end, the policy seeks to:

- a) Create a frame of reference which clearly guides political office bearers and municipal officials in the interpretation and application of performance management mechanisms in the CHDM;
- b) Clarify the roles and responsibilities of all stakeholders during the various performance management processes;
- c) Establish a universal performance management language thus promoting consistency and commonality in the application of concepts;
- d) Promote a culture of accountability, responsibility and performance excellence;
- e) Enhance the development of human capital; and
- f) Ensure recognition and reward for performance excellence.

Apart from the legislative adherence that this policy seeks to ensure, it further seeks to create a frame within which the municipality can plan, monitor, review and improve the implementation of Council's Integrated Development Plan. In doing so, it will fulfil the following functions:

1. Facilitate increased accountability

The performance management system will provide a mechanism for ensuring increased accountability between:

- The residents of the CHDM and Council,
- The political and administrative components of Council,
- Each department and the executive office

2. Facilitate learning and improvement

While ensuring that accountability is maximized, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

3. Provide early warning signals

The performance management system should provide Managers, the Municipal Manager, Committees of Council and the Mayoral Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timely informed of possible non-performance, so that they can facilitate intervention, if necessary.

4. Facilitate decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

1.3 Policy Scope and Key Principles

The Policy applies to all Councillors, the Municipal Manager including those managers appointed in terms of Section 56 of the Local Government: Municipal Systems Act, 32 of 2000, (CHDM Directors/Heads of Department) as well as categories of CHDM officials as determined by Council. Furthermore, this policy applies to the CHDM entity, the Chris Hani Regional Development Agency (CHDA) and its category of officials as determined by the CHDA Board.

The application of the PMS Policy will be based on the following principles:

- a) **Simplicity:** The system must be a simple user-friendly system that enables Council and its external stakeholders to operate it within the existing resource capacity;
- b) **Politically Driven:** Legislation clearly tasks Council as the owner of the performance management system. The Municipal Manager will need to drive both the implementation and improvement of the system and may delegate responsibilities in this regard;
- c) **Incremental Implementation:** It is important that while a holistic performance management system is the ultimate objective, Council could adopt a phased approach to implementation, dependent on the capacity and resources of the municipality. The performance management system will need to be constantly improved based on its workability;
- d) **Transparency and Accountability:** The process of managing performance should be inclusive, open and transparent. Citizens should know how departments are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of departments should be accessible to other managers, employees, the public and specific interest groups;
- e) **Integration:** The performance management system should be integrated into other management processes of Council, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool for ongoing management functions;

- f) **Objectivity:** Performance management must be founded on objectivity and should be democratic in pursuance of its objectives. Both the processes of managing performance and the information on which it relies need to be objective and credible. It should promote mutual respect, trust and ensure high levels of co-operation and discipline in the dealings of municipal people among one another; and
- g) **Clear and Accountable:** The intentions of Council's performance management system must be made clear and acceptable especially to its officials, councillors and customers. Concerns and fears about the system must be heard and addressed appropriately to minimise suspicions and maximise the understanding and acceptance of change. International author of public sector management literature Norman Flynn (113:1990) agrees that," the first imperative is to ensure that the purposes for measuring performance are clear and accepted by everyone. If measurements, especially of costs, are to be used punitively, then they will create a different atmosphere than if they are to be used creatively to help people improve their performance".

1.4 Legislative Context

Performance management in local government is a legislated business process with various statutes regulating the application thereof within municipalities. This Policy must thus be applied consistently with the regulatory framework as summarized below:

The Constitution, Act 108 of 1996

- The Constitution provides that municipalities in South Africa must:
- Provide democratic and accountable government for local communities;
- Ensure the provision of services to communities in sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment;
- Encourage the involvement of communities and community organisations in the matters of local government.

The performance of municipalities must be monitored and managed to ensure the achievement of these constitutional provisions.

White Paper on Service Delivery (Batho Pele) 1998

The performance management system must be based on and should give effect to the eight Batho Pele principles of improved service delivery as outlined in and required by the White Paper on Service Delivery. The principles are as follows:

- Consultation;
- Service Standards;
- Access;
- Courtesy;
- Information;
- Openness/ Transparency;
- Redress; and
- Value for Money.

The Local Government: Municipal Structures Act, 117 of 1998

Section 19 (1) of the Act specifies that a municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution and annually review its overall performance in achieving those objectives.

Section 44 (3) states the executive committee, in performing its duties, must :

- (a) Identify and develop criteria in terms of which progress in the implementation of the

strategies, programmes and services rendered to communities can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;

(b) Evaluate progress against the key performance indicators;

(c) Review the performance of the municipality in order to improve –

- i. The economy, efficiency and effectiveness of the municipality;
- ii. The efficiency of credit control and revenue and debt collection services; and
- iii. The implementation of the municipality's by-laws

The Local Government: Municipal Systems Act, 32 of 2000 (MSA)

- The MSA sets out the legal framework for performance management as a means to measure, evaluate and report on the implementation of the Integrated Development Plan (IDP);
- Chapter 6 of the MSA provides for the establishment, monitoring and review of the performance management system as well as reporting on the organisational performance achievements against the IDP indicators and targets.
- Section 57 of the MSA requires the Municipal Manager and the managers directly accountable to the Municipal Manager (Section 57 employees) to sign annual performance agreements and plans, with a set of performance measures to assess individual achievement against the plans. The performance plans must be aligned to the SDBIP that are based on the IDP.
- According to section 67 of the MSA, a municipality must implement systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the monitoring, measuring and evaluating of staff performance
- The MSA, in section 81(b), states that the municipality must monitor and assess the performance of a service provider (or municipal entity) in implementing the service delivery agreement (where applicable).
- Section 26 of the *Local Government: Municipal Systems Amendment Act, 44 Of 2003* provides that a parent municipality which has sole control of a municipal entity or effective control in the case of a municipal entity which is a private company:
 - (a)** Must ensure that annual performance objectives and indicators for the' municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan n accordance with section 87(5)(d) of

the Municipal Finance Management Act; and

- (b) Must monitor and annually review as part of the municipal entity's annual budget process as set out in section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators.

The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA)

The MFMA contains various provisions relating to municipal performance management. It requires municipalities, in annual budget approval, to adopt an SDBIP with service delivery targets and performance indicators and compile an annual report, which must include a performance report compiled in terms of the MSA.

- Pertinent provisions include:
- Section 16(2) requires that the municipality's annual budget to be accompanied by measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP.
- Section 53(1)(c) provides for the Mayor to ensure that performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial management and are linked to the measurable performance objectives approved with the budget and included in the SDBIP.
- In terms of section 72 (1) (a) (iv), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year, taking into account the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports from any such entities.
- The MFMA, section 165 (2) (b), requires each municipality and municipal entity to have an internal audit unit to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to, inter alia, performance management.
- In turn, section 166 requires each municipality and municipal entity to have an audit committee to advise the municipal council, accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to inter alia, performance management and performance evaluation.

The Local Government: Municipal Performance Management Regulations, 2001

In 2001 the Minister responsible for local government published the Local Government: Municipal Planning and Performance Management Regulations, in terms of section 49 of the MSA. The Regulations provide for municipalities to ensure that the PMS complies with the requirements of the MSA, demonstrate the operation and management of the PMS, clarify roles and responsibilities, as well as ensure alignment with employee performance management and the IDP processes.

Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006

In 2006, a set of regulations was promulgated for Municipal Managers and Managers directly accountable to the Municipal Manager, setting out how their performance is to be planned, reviewed, improved and rewarded. The regulations provide for the conclusion of performance agreements and plans for these managers.

Skills Development Act, 97 of 1998 (SDA)

The SDA supports occupational development which in turn acts as a catalyst for enhanced performance within the workplace. It provides for the development of specific managerial and occupational competencies which must be aligned to specific jobs, job profiles and consequently Personal Development Plans which form an integral aspect of performance management.

Labour Relations Act, 66 of 1995 (as Amended) (LRA)

The LRA creates an enabling framework for the application of fair labour principles and practices in dealing with capacity challenges in the workplace as outlined in chapter 8.

1.5 Internal Capacity and Stakeholder Roles and Responsibilities

The MSA places responsibility on Council to adopt the performance management system, while holding the Executive Mayor responsible for the development of the system. The Executive Mayor through the systems of delegation assigns these responsibilities to the municipal manager, but remains accountable for the development of the performance management system. The municipal manager may further delegate the responsibility to another senior manager. Therefore it is important that the Council, within its policy framework on delegation, assigns responsibilities accordingly. This must be done in writing. In the assignment letter, the Council should stipulate quite clearly what needs to be done, by whom and when

5.1.1

5.2 MUNICIPAL MANAGER/MANAGER PMS

The Municipal Manager as the ultimate administrative accounting officer has the responsibility, as delegated by the Executive Mayor, of introducing the performance management system and implementing it. The Municipal Manager also has the responsibility of preparing the institution for change. This in effect means ensuring that those to participate in the performance system, including the various internal and external stakeholders, have a common understanding of why performance management is needed and what it will do for the organisation.

This also involves an interpretation of the principles that will govern its development and use. Of importance in this process is the ability of the institution to reach consensus on the manner in which the system will be administered. However, given the intensive nature of the process of implementing the performance management system, this against the many responsibilities attached to the Municipal Manager, it may become necessary that this function is sub-delegated to a manager that is responsible for the introduction and implementation of the performance management system. This manager will report to the Municipal Manager.

5.2.1

5.3 PERFORMANCE MANAGEMENT STRUCTURES: INTERNAL AUDIT AND PERFORMANCE AUDIT COMMITTEE

Section 45 of the MSA has a specific prescription that the results of the measurements of performance (this includes quarterly assessments) must be audited as part of the municipality's internal audit processes and, on an annual basis, be audited by the auditor general. Furthermore, as part of the institutions audit plan, performance measurements must be presented to the performance audit committee to evaluate both the level of performance of the institution as well as the usefulness of the system

5.3.1

5.4 PERFORMANCE MANAGEMENT STRUCTURES: COUNCIL, MAYORAL COMMITTEE AND PORTFOLIO/STANDING COMMITTEES

Council has the ultimate responsibility of reviewing the performance of the Municipal Council, its Committees and the Administration. Through the presentation of the quarterly organisational/strategic scorecard/Institutional Service Delivery and Budget Implementation Plan (SDBIP), Mid-year Performance assessment and Annual Report, the Municipal Council is able to make an assessment of the level of performance of the municipality. Critically, even though the task of developing and approving the SDBIP resides with the Executive Mayor, any amendments to the SDBIP can only be effected by a resolution of Council. As legislative requirements, Council must approve the Annual and Mid-year performance reports of the municipality.

The Mayoral Committee on the other hand should play the most significant role in reviewing the performance of the administration, as the performance management system should be designed to allow this committee to strategically drive and manage performance in the organisation. Reviews at this level should remain strategic so that councillors are not restrained by operational discussions. In order for this review to be strategic the committee must review performance quarterly, with the final quarterly review taking the form of an annual review. The content of the review should be confined to agreed / confirmed priority areas and objectives. The municipal manager should remain accountable for reporting on performance at this level, even if he or she delegates this responsibility to other officials.

Portfolio/Standing Committees need to manage the performance of sectors and functions respective to their portfolios. While it is important that they at least review performance of organisational priorities that lie within their portfolio, it is desirable that they review additional sectoral priorities determined by them. In order to build the role played by standing or portfolio committees, while ensuring that their role remains strategic and not operational, these committees must review performance as often as monthly.

5.5 PERFORMANCE MANAGEMENT STRUCTURES: EXTERNAL STAKEHOLDERS

On a quarterly basis, municipalities must report on performance to communities and other relevant stakeholders. This can be done in a number of ways:

1. Publication of quarterly reports on all accessible media;
2. Presentation of the performance information at IDP forum
3. Conducting public hearings on performance.

Of importance in this regard is to invite all stakeholders to make representations on the information that is published by the municipality. This is to allow these stakeholders to assess/review the performance of the municipality so as to establish whether the public expectations are being met. Tabulated hereon below are the various responsibilities attached to each stakeholder:

STAKEHOLDER	ROLE IN PLANNING	ROLE IN IMPLEMENTATION
Community Structures and IDP Forum	<ul style="list-style-type: none"> • To be consulted and actively participate in the identification and prioritisation of area needs • Participate in the development of long-term vision for the area • Participate in the setting of indicators and targets 	<ul style="list-style-type: none"> • Must be given the opportunity to review the performance of the municipality and provide feedback in terms of the progress made in realising municipal targets
Council	<ul style="list-style-type: none"> • Must facilitate the development of a long-term vision for the area • identify priorities of Council for the period • Must facilitate the development of indicators and targets, and adopt agreed upon targets and indicators • Must facilitate the development of strategies for the realisation of the vision and targets set • 	<ul style="list-style-type: none"> • Must approve the IDP and Budget as Municipal strategic and planning documents (approval of targets and indicators) • Must consider the municipality's SDBIP and performance plans of S57 Managers including the Municipal Manager • Must review the performance of the municipality and approve recommendations and amendments where applicable and performance information submitted to other stakeholders
Standing (s79) Committees	<ul style="list-style-type: none"> • Provide an objective view in terms of the content of the departmental scorecards • Ensure the inclusion of department specific community needs (indicators and targets) in the scorecard 	<ul style="list-style-type: none"> • Consider monthly and quarterly reports on departmental performance as submitted by the departmental director • Approve performance information submitted to other structures (internal and external) • Propose corrective actions to be taken where necessary • Make recommendations to Mayco/Council in terms of the performance of the department
Mayoral Committee (Mayco)	<ul style="list-style-type: none"> • Oversees the development of the IDP, Budget and Service Delivery and Budget Implementation Plan • Provide strategic direction in terms of the implementation of municipal strategies • Engage relevant stakeholders on the strategies of the municipality 	<ul style="list-style-type: none"> • Conduct reviews of municipal performance (Monthly, quarterly and annually) • Approve performance information submitted to Council and other structures • Propose corrective actions and make recommendations to Council on municipal performance

Top Management	<ul style="list-style-type: none"> • Manage the development of the IDP, Budget and SDBIP (propose targets and indicators to be included) • Assist Mayco and Council in providing strategic direction of the municipality • Communicate municipal strategies with relevant stakeholders 	<ul style="list-style-type: none"> • Monitor, measure, review and report on performance (monthly, quarterly and annually) • Advise political leadership on performance related issues and provide early warnings • Develop responses to problem areas identified
Sections Head	<ul style="list-style-type: none"> • Develop performance plans which are aligned to the municipal strategic documents (IDP, Budget, SDBIP) 	<ul style="list-style-type: none"> • Measure and report on performance in terms of agreed performance plans • Compile evidence in support of performance • Implement municipal strategies and intervention plans that may be developed • Provide early warnings
Internal Audit	<ul style="list-style-type: none"> • Assist in ensuring the relevance and measurability of performance indicators and targets 	<ul style="list-style-type: none"> • Assesses the functionality of the performance management system and the credibility of the performance information submitted • Assist in preparing for external performance auditing • Submit performance audit reports to the Municipal Manager and Performance Audit Committee
Performance Audit Committee	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Review the performance reports as submitted by internal audit • Review the performance management system of the municipality and make recommendations to Council, Mayco, Municipal Manager, and Auditors (internal and external)

1.6 Conclusion

Highlighted hereon above are the key policy principles that underpin the application of the Chris Hani District Municipal Performance Management processes. The Chris Hani District Municipality's Performance Management and Monitoring practices continue to evolve given the dynamic operating environment. Monitoring Evaluation and Reporting Practices are driven from a premise that they are integrally connected and should be pursued in a collaborative manner. Another key objective of this policy and system at large is the extent to which it successfully allows for accurate implementation and tracking of service delivery priorities as articulated in strategic and operational documents. The key measure of its success is the extent to which these have enabled the municipality to progressively achieve its intended short, medium and long term objectives

GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AG	Auditor-General
AIDS	Acquired Immune Deficiency Syndrome
CBO	Community Based Organization
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DEDEA	Department of Economic Development & Environmental Affairs
DFA	Development Facilitation Act No 67 of 1995
DHS	District Health System
DRDLR	Department of Rural development & Land Reform
DLG & TA	Department of Local Government & Traditional Affairs
DM	District Municipality
DIMAFO	District Mayors Forum
DME	Department of Mineral and Energy
DARD	Eastern Cape Department of Agriculture & Rural Development
DoE	Department of Education
DoH	Department of Health
DoSD	Department of Social Development
DoT	Department of Transport
COGTA	Department of Co-operative Governance & Traditional Affairs
DPSS	Department of Public Safety and Security
DRPW	Department of Roads & Public Works
DSAC	Department of Sport, Arts and Culture
DWA	Department of Water Affairs
DAFF	Department of Agriculture, Forestry & Fisheries
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
ECDC	Eastern Cape Development Corporation

PGDP	Provincial Growth & Development Plan
GCIS	Government Communication and Information Systems
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
JOC	Joint Operational Centre
LDO	Land Development Objectives
LED	Local Economic Development
LSA	Local Service Area (Primary Health)
MAYCO	Mayoral Committee
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NDP	National Development Plan 2030
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership

RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defense Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
UYF	Umsobomvu Youth Fund
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
RTP	Responsible Tourism Planning
SLA	Service Level Agreement
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
Stats SA	Statistics South Africa
SODA	State of the District Address
SONA	State of the Nation Address
SOPA	State of the Province Address

IDP REVIEW 1st Draft for Council Adoption

The process of approval for this 1st IDP Review for 2016/2017 IDP review involved some consultative meetings with all stakeholders including: all municipalities planning unit within CHDM, representative forum members, sector departments, internal departments and some comments from MEC for Local Government of previous years. After Council approved this 1st Draft 2016-2017 IDP Review document copy will be submitted to MEC for Local Government in the Eastern Cape Province, Provincial Treasury as well as National Treasury for comments as well as to community members for comments as their comments and consultation is critical for them to be incorporated on the Final IDP Review by the month of May 2016. .

DECLARATION OF 2016- 2017 CHDM 1st DRAFT IDP REVIEW FOR ADOPTION BY COUNCIL BY MARCH 2016

SIGNATURES

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Mr. M. MENE

DATE

MUNICIPAL MANAGER

Cllr M KOYO

DATE

EXECUTIVE MAYOR

ORGANOGRAM

NB !!!!!!! Be attached for printing